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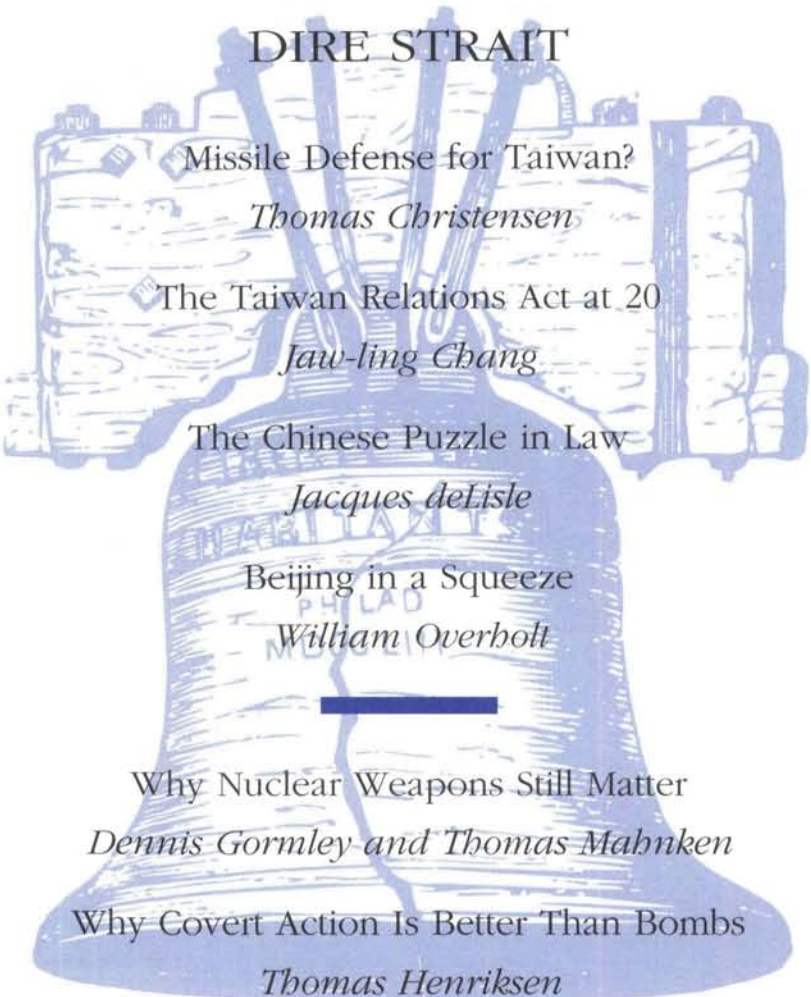
Bruce Kuklick
On Robert S. McNamara



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Thomas Henriksen

Why the Information Revolution Is Moving Too Fast
Richard J. Harknett et al.

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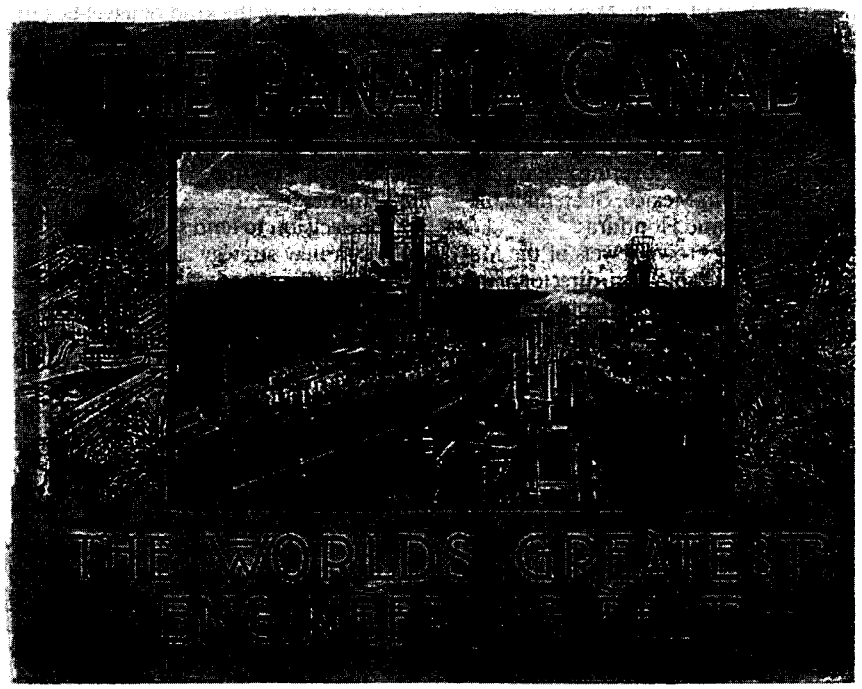

"Panama," wrote *The Economist* (Jan. 19, 1999, p. 75), "is one of the few places where the millennium really means something." Indeed it is, since the United States will transfer to the Republic of Panama full sovereignty and control over the Canal Zone at 12:00 a.m. on January 1, 2000. The retrocession occurs some ninety-seven years after Theodore Roosevelt "stole it fair and square" by encouraging insurrectionists in Panama (then part of Colombia) to declare independence, recognizing the new government, and drafting the treaty by which it ceded the Canal Zone. Thus, the Panama Canal, in addition to being "the world's greatest engineering feat," was a prime example of that creative corruption noted with irony in the Fall 1999 issue of *Orbis*. It remains to be seen, however, whether such "Yankee imperialism" is now at an end, or whether U.S. soldiers and engineers will be back on the job in Panama in short order. Put your money on the latter. (Photograph: Mary Evans Picture Library)

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A Journal of Chinese Studies and International Affairs

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Editor's Column

Good riddance, twentieth century. May the future never cause us to look back to you with nostalgia. But I speak as a 53-year-old, and people the age of my students, who have known nothing but victory in the Cold War, Gulf War, and stock market, may at some point refer to the 1990s as the good old days. For even if we Westerners are ultimately right in our enlightened belief in linear progress, the Chinese and others who believe that history is cyclical are always right in the middle run. Human beings just can't stand prosperity. It makes them complacent, and makes them forget. Greed swallows up healthy fear, and empires crumble. Will the United States itself survive as we know it until the year 2100? And if not, will that be because it cracked up, or because it was subsumed in a still larger polity? Arnold Toynbee came to believe that history moves as a carriage on wheels that go round and round in cyclical fashion, yet propel the carriage forward in a straight line. But where does the line lead, in the fourth dimension that is time? Archimedes boasted, "Give me a place to stand and I will move the world." If only we had a place to stand—outside—to observe the world. But perhaps it is better not to know where we are going. In any event, I still say good riddance, twentieth century.

In These Pages

No one knows better that empires crumble than the rulers of China. On October 1, 1999, they celebrated the fiftieth anniversary of their People's Republic, but it was strangely hollow, as if the Communist leaders and people shared Arthur Waldron's suspicion that the PRC may not have many birthday bashes left. Other Western pundits, not to mention policymakers, are more concerned to know whether Communist China will die of ice, as the Soviet Union did, or spew dragon fire, for instance in a war over Taiwan. That is why we have assembled an unusually strong panel of authors to examine one or another key variable that will determine the fate of the regimes based in Beijing and Taipei. The four issues on which Taiwan's future will hinge are its status under international law (as interpreted by the ROC, PRC, and the world community), its ability to deter or defend against an attack from the mainland, the political and possibly military cover given Taiwan by the United States, and (not least) the fate of economic and political reform on the mainland.

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University of Pennsylvania legal scholar Jacques deLisle addresses the first issue in a probing analysis of the "Chinese puzzle." Tom Christensen tackles the second with a risk/reward analysis of the hotly debated proposal that Taiwan be allowed to participate in the U.S.-Japanese program to develop theater missile defenses in the western Pacific. The eminent Taiwanese analyst Jaw-ling Chang confronts the third by asking what lessons can be drawn from the history of the Taiwan Relations Act, now twenty years on the books. And economist William Overholt looks inside the turbulent PRC for signs that Beijing will escape the economic squeeze it is presently in and what the political fallout may be if it fails.

Americans, meanwhile, are at pains to learn the lessons of a decade of interventionism that seems at once to demonstrate their overwhelming technological and military superiority, and their limited ability to "solve" problems of ethnic violence and regional conflicts. Hence our continuing debate in these pages on American post–Cold War strategy. Dennis Gormley and Thomas Mahnken assess the much-touted Revolution in Military Affairs and the performance of smart conventional weapons to reach a conclusion that will be surprising to some: hang on to the nukes. Stephen Blank offers strong evidence for why that is necessary in his disturbing account of how widespread are Russian sales of high-tech weapons abroad. Mark Clark reviews recent books on the use of military force to coerce compliance from rogue regimes. Richard Harknett and his co-authors critique the enthusiasm over the "Information Revolution" sweeping the Pentagon. Bruce Kuklick reviews the latest public confession of an earlier ardent technocrat, Robert S. McNamara, and the lessons he spies in the Vietnam War. And finally, Thomas Henriksen presents an equally provocative brief on behalf of covert action as the way to escape our present Hobson's Choice between doing nothing against brutal regimes and bombing them back to the Stone Age. Are the CIA's best days still to come?

Night Thoughts of an I.R. Professor

While everyone obsesses about China and the U.S. presidential race, the rivalry that may really define the twenty-first century is largely ignored. One who senses that our angst is misplaced is Andrew Roberts, who concluded his review of Pat Buchanan's new book by asserting that American hegemony is indeed ending, but not because of the "imperial hubris" Buchanan denounces. "It will not be on foreign battlefields that America loses its global lead, but in foreign boardrooms. No empire in history has ever stoked up its own funeral pyre so enthusiastically as the U.S. is currently doing in its suicidal encouragement of closer European integration. . . . In our lifetimes this new European superpower,

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with its 320 million well-educated and hard-working citizens, will gradually wrest global trading hegemony from the U.S. When it happens . . . recall that you were warned; not by Pat Buchanan, but by me."[1]

By coincidence, the very day that review appeared I was scheduled to lecture on U.S.-European relations after the Cold War. Having done my historical homework I, too, was disturbed to discover how deep and enduring is the tension between the Atlantic and European movements. I offered hope that the structural problems in the Euro-American relationship can be overcome. But I smelled trouble ahead—trouble that began, ironically, at the moment of the West's greatest triumph.[2]

Harvey Sicherman relates a story from 1989 when he was helping James Baker prepare for his confirmation hearings. Harvey was told not to bother discussing Europe because Asia was where all the action would be. Famous last words. Within twenty-four months the Soviet bloc and Soviet Union collapsed, Germany reunified, and the Maastricht Treaty blueprint for a full European Union (EU) was drafted. But victory in the Cold War also obliged Americans and Europeans to reassess their relationship. If, as Lord Ismay quipped, NATO was designed "to keep the Americans in, the Germans down, and the Russians out,"[3] then all that remained for NATO today was "to keep the Americans in."

Some neo-realists say there is no purpose to NATO anymore, or conversely fear that the absence of a common threat may spark a reprise of nationalism and isolationism. Samuel Huntington even warns that in the coming "clash of civilizations" Europe and the United States will either "hang together or hang separately."[4] Neo-liberals, on the other hand, see the end of the Cold War as an opportunity vastly to expand the geographical and functional purview of NATO and the EU.

So far, the liberals have carried the day. In 1995, Secretary of State Warren Christopher scoffed at those "who question whether Europe and the U.S. have the will to maintain our partnership." He imagined a common market "from Honolulu to Helsinki," and called for global cooperation on proliferation, drugs, crime, terrorism, human rights, and the environment.[5] In 1997 Madeleine Albright predicted, "The children of the next century will come of age knowing a very different NATO—one that masses its energies on behalf of integration,

[1] Andrew Roberts, "The Sun Never Sets on America," *Wall Street Journal*, Sept. 16, 1999.

[2] The following is based on a lecture by Walter A. McDougall, "Atlanticism, the New Atlantis," for the E. N. Thompson Forum on World Issues, University of Nebraska, Sept. 16, 1999.

[3] Quoted most recently by Tony Judt, "Europe Without America To Lean on," *New York Times*, June 20, 1999.

[4] Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996), p. 321.

[5] "Charting a Transatlantic Agenda for the 21st Century," Address in Madrid, U.S. Department of State Dispatch, June 2, 1995.

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rather than massing its forces on the borders of division," and told NATO that "Atlantic unity and European unity remain our common vision."[6] In 1999 President Clinton promised "to do for Southeastern Europe what we helped to do for Western Europe after World War II and for Central Europe after the Cold War," and help its people build multiethnic democracies, open their borders, and "make war unthinkable."[7] Prime Minister Tony Blair celebrated Kosovo as the first battle in "the humanitarian war," while Clinton announced his doctrine to the effect that "if somebody comes after innocent civilians and tries to kill them *en masse* because of their race, ethnic background, or religion, and it's within our power to stop it, we will stop it."[8]

But turning the Balkans into a laboratory for multicultural experiments is only the tip of the iceberg. In its 1999 report on transatlantic relations, the Council on Foreign Relations called for "a global U.S.-European partnership" to manage the Asian economic crisis and overhaul the world's financial architecture, dismantle Russia's nuclear weapons and promote its democracy, forge a "single transatlantic market" for investment and trade, preserve Turkey's pro-Western orientation, broaden NATO strategy to include the whole Middle East, present a united front toward Iran, Iraq, the Arab-Israeli peace process, and all regional conflicts in Asia, mount a much larger defense effort to project force worldwide, and take united stances toward weapons of mass destruction, terrorism, the environment, drugs, health, crime, and human rights.[9]

Those are laudable goals. But the vision of NATO and the EU as twin engines jetting the world into a brave new era of peace, wealth, and democracy may be more dangerous to the alliance than the nationalist and isolationist ghosts that frighten the neo-realists. First, an effort to arrogate to the Western alliance the roles of world policeman, nanny, and civics instructor will be denounced by Chinese, Muslims, and others as neo-imperialism. Secondly, such rapid expansion of missions will multiply disputes over policy and burden-sharing, and thus weaken cooperation even on matters the allies do agree on. Thirdly, this ambitious program perpetuates a damaging historical myth to the effect that the Atlantic and European movements are harmonious, whereas in fact their story has been one of tense coexistence.

A Spanish economist, Pedro Schwarz, quipped that Europe was not born in the 1957 Treaty of Rome, but on Sigmund Freud's couch in Vienna: "The Germans

[6] "Enlarging NATO: Why Bigger Is Better," *The Economist*, Feb. 15, 1997, p. 21; U.S. Department of State Dispatch.

[7] Speech in San Francisco, Apr. 15, 1999, recorded in U.S. Department of State Foreign Press Briefing, June 25, 1999.

[8] "Pledging a Clinton Doctrine for Foreign Policy," *Wall Street Journal*, Aug. 6, 1999.

[9] *The Future of Transatlantic Relations* (New York: Council on Foreign Relations, 1999), pp. 3–6.

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want to forget Hitler, the French want to control the Germans, the Spanish want to forget Franco, and the Italians want any government but their own."[10] My own intuition tells me that the European idea was conceived in the autumn of 1916, at Verdun. There 800,000 French and German soldiers were killed or maimed in the most concentrated bloodbath in the history of war. Verdun was the equivalent of forty Gettysburgs, but Verdun was no turning point, no glorious victory. It was meaningless slaughter. And the museum and monuments built there by the French bear this out. One might expect to see statues of courageous *poilus* rallying their comrades with General Petain's cry, "*Ils ne passeront pas*!"—they shall not pass! Instead, the statues depict soldiers grim and resigned, bearing the wounded, or dying beneath bayonets forming a cross. Verdun's art gallery depicts life in the trenches as suffered by soldiers on *both* sides, the crucible of mechanical war as seen from *both* sides, the disillusionment felt on *both* sides. There is a cemetery for fallen Frenchmen, and another for Germans, but larger than either is the field planted with unidentified corpses from *both* sides. By the end of 1916 the French and Germans seemed to have made an unspoken agreement to stop killing each other. When French generals tried to launch their own offensive in 1917, the soldiers mutinied. When the Germans attacked in 1918, they abandoned attrition tactics in favor of infiltration and targeted sectors manned by Belgian, Portuguese, or colonial troops, and gaps between British and French armies. By that time many stretches of the Franco-German front had fallen still, except for ritual bombardments at the same time every day so that no one on either side would get hurt. In the interwar years, the French and Germans drafted their war plans with one aim in mind: no more Verduns. The French relied on the Maginot Line and the Germans on Blitzkrieg. And I suspect many Germans saw the collaboration of France in 1940 as a natural expression of the continental unity first felt at Verdun.

The end of 1916 also conceived the Atlantic movement, because it was failure at Verdun that persuaded the German command to resort to unrestricted submarine warfare, which provoked U.S. intervention. Wilson's Fourteen Points were really the first Atlantic charter, because even though he spoke in universal terms, he had the Atlantic world in mind. Wilson wanted self-determination for Europe, but did not believe Africa and Asia were ready for it yet. He wanted freedom of the seas and free trade in the Atlantic, but had no intention of opening the door to Japanese imports and immigrants. And it was understood that the League of Nations would be run by the Western powers according to Western values and law.

In sum, the European and

[10] Robert Frank, "Europeans Search For a Shared Identity Amid Dark Memories," *Wall Street Journal*, Oct. 19, 1998.

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Atlantic communities that bloomed after 1945 began their gestation in 1916. But the ideas nourished by blood were rooted in the peculiar ambiguities of the Euro-American relationship that predated World War I by more than a century.

How compatible were they? We know the contempt that European intellectuals, upper classes, and the French usually felt for America. Thomas Carlisle declared the United States "a dirty chimney on fire." Georges Clemenceau called America "the only nation in history which has gone directly from barbarism to decadence without the interval of civilization." And Freud dubbed America "a magnificent mistake."[11] But my favorite portrait is that of Sir Charles Dilke, who reported in the 1860s that in America the children are spoiled, the women too independent, the streets rife with crime, the courts legalistic and lenient, and the cities clogged with foreigners.[12] Needless to say, the millions of immigrants hailed the New World's freedom and opportunity, but Europeans of culture considered Americans philistine, crude, self-righteous, and altogether too powerful.[13]

In America, the reverse was the case. Here it was lower-class and less-educated people who were likely to resent a Europe they associated with monarchy, monopoly, privilege, and poverty, not to mention imperialism, war, taxes, and bureaucrats. It was the cultured and wealthy Americans who admired Europe and looked to it for cultural, scientific, and political instruction. Jefferson and Franklin considered themselves members of an enlightened Atlantic community. American schools were modeled after those of England and Germany. The latest European ideas fueled polite conversation in Philadelphia, New York, and Boston, while wealthy Americans sought titled spouses for their children and built English- or French-style country estates. But above all, America rose to greatness on the strength of capital and labor imported from Europe, while America's diplomatic principles—from "no entangling alliances" and the Monroe Doctrine to the Open Door and a League to Enforce Peace—were borrowed largely from Britain.

What is more, Americans in the Progressive Era recognized their stake in the balance of power. Theodore Roosevelt welcomed Britain's offer of strategic partnership in 1903, brokered peace between Russia and Japan in 1905, and urged the United States to enter the Great War

[11] *Webster's New World Dictionary of Quotable Definitions*, 2nd ed. (New York: Simon and Schuster, 1988), p. 14.

[12] Peter Duignan and L. H. Gann, *The Ambivalent Heritage: Euro-American Relations* (Stanford, Calif.: Hoover Institution, 1994), p. 10.

[13] Europeans' contempt was most recently, and amusingly, displayed in their reactions to the behavior of America's victorious golfers and spectators at the Ryder Cup competition. "Let us be painfully honest about it," wrote a columnist in the London *Evening Standard*, "[the Americans] are repulsive people, charmless, rude, cocky, mercenary, humorless, ugly, full of nauseatingly fake religiosity, and as odious in victory as they are unsporting in defeat" (reported in the *Philadelphia Inquirer*, Sept. 28, 1999).

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lest German militarism invest the Atlantic. Once Americans did spill their blood in France, it would have been strange indeed if they had "reverted" to "isolationism," and they did not. Over three-quarters of the Senate and public were ready to ratify the Treaty of Versailles if only Wilson had honored their reservations regarding the League Covenant. The Republican 1920s were no less interventionist. Secretary of State Charles Evans Hughes hosted the conference that approved the biggest disarmament pact in history and established collective security in the Pacific. He then settled the Franco-German clash over reparations, and under the Dawes Plan of 1924 American bankers provided hundreds of millions of dollars to promote European recovery. As Hughes put it, "we cannot dispose of these problems by calling them European, for they are world problems, and we cannot escape the injurious consequences of a failure to settle them."[14] During the Great Depression, America did turn its back on the world. But the isolationist 1930s were the real aberration, not the return to some norm.

If Atlanticism informed U.S. policy in the early twentieth century, so did Europeanism inform French and German policy. Conventional wisdom says that a vengeful France tried through the Treaty of Versailles to cripple Germany, while the Germans felt cheated and burned for revenge. But their business leaders realized that the continent's prosperity and social stability required cooperation, so even as their governments clashed, French and German industrialists groped for ways to forge a cooperative framework. In 1921 and again in 1924 they were close to succeeding, but guess who stepped in to squelch those first plans for a European community? The British, who saw any Franco-German entente as a continental bloc aimed at them, and the Americans, who offered loans on condition that the Europeans practice "free enterprise," not cartels. Still, the French and Germans concluded a commercial treaty in 1926 and a coal-for-iron agreement in 1927, encouraging French premier Aristide Briand to reach for the ultimate prize. In 1929 he proposed a European Union in which nations would merge their sovereignty and make war impossible. No doubt the Depression would have punctured his dream, but the British and Americans instructed the Germans to give Briand a cold shoulder if they wanted financial concessions. Incipient Atlanticism had gone on record as opposed to incipient Europeanism.

That tension would seem to have dissipated after 1945, when a Western Europe wrecked by war and shivering in the shadow of Stalin eagerly embraced American-led institutions such as the International Monetary Fund, the Organization for Economic Cooperation and Development, and NATO. The United States in turn made it a con-

[14] Miles Kahler and Werner Link, *Europe and America: A Return to History* (New York: Council on Foreign Relations, 1996), p. 11.

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dition of the Marshall Plan that the Europeans cooperate, and applauded when France, West Germany, the Low Countries, and Italy forged the European Coal and Steel Community in 1949. For five years thereafter the European and Atlantic ideas marched forward together. The British touted their "special relationship" with America, Konrad Adenauer wooed Washington and Paris alike, and even the French muted their criticism of "the Anglo-Saxons" (not least because Washington paid 75 percent of the cost of France's war in Indochina). But Stalin died in 1953, the Korea and Indochina wars ended, and the French parliament rejected the European Defense Community. As fear of communism waned, resentment of America waxed. First, the Eisenhower administration strongly opposed the other French war in Algeria and sided with the Soviets to force Britain and France out of Suez in 1956. Then the United States refused to share its nuclear secrets and (according to France) exploited the dollar's status as the world's reserve currency.

The resulting tide of anti-Americanism contributed to the hasty formation of the European Economic Community (EEC) in 1957. But it culminated in Charles de Gaulle, who came to power in 1958 and proceeded to denounce Anglo-Saxon hegemony, forge his own special relationship with West Germany, pull French forces out of NATO command, build a French nuclear deterrent, pursue détente with Moscow, and veto Britain's application to the EEC on the grounds that Britain was a Trojan horse whose membership would create "a colossal Atlantic Community under American dependency."[15] Throughout the 1960s, West European governments rued the Vietnam War, protested U.S. dictation of NATO strategy, and fretted over America's cultural and economic hegemony. In 1968 Jean-Jacques Servan-Schreiber wrote of "an economic system in a state of collapse. It is our own. We see a foreign challenger breaking down the political and psychological framework of our societies. We are witnessing the prelude to our own historical bankruptcy."[16] Unless Europe fought back, he said, it would be reduced to a mere colony of IBM, Boeing, and Bank of America.

To be sure, American rhetoric was always benign. Eisenhower hoped to live long enough to "see a United States of Europe come into existence." Kennedy said progress toward a united Europe "has been the basic object of our policy for 17 years." Lyndon Johnson said that the drive for unity in Western Europe was not only desirable, but necessary. Nixon observed that "no element of American foreign policy has been more consistent than our support of European unity." Carter pledged "unqualified support" for the EEC. Reagan considered "a

[15] Press conference, Jan. 14, 1963, cited in Paul Johnson, *Modern Times* (New York: Harper and Row, 1983), p. 600.

[16] Servan-Schreiber, *The American Challenge* (New York: Atheneum, 1968), p. xiii.

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strong and united Europe not a rival, but a partner." Bush insisted that America "supports this goal today with the same energy it did 40 years ago," and Clinton welcomed "stronger European institutions" and recognized "that we will benefit more from a strong and equal partner than from a weak one."[17]

But behind the scenes, U.S. support for the European idea was always contingent on whether it strengthened the Atlantic community or veered off into neutralism or protectionism. Thus, after the rise of de Gaulle, Eisenhower sent a clear message that "NATO should be the principal forum for cooperation and consultation among member nations . . . complemented in the economic field by the [transatlantic] OECD."[18] When Europeans waffled during the Berlin crisis of 1961, Dean Acheson barked, "We don't need to 'coordinate' with our allies—we need to tell them!" When de Gaulle and Adenauer signed a bilateral treaty in 1963, Acheson called it "an insult to my intelligence" to suggest that the treaty was not anti-American. He was furious that "the greatest imperial power the world has ever seen" was made "to kiss de Gaulle's ass!" And James Reston wrote, "If they are asking us to defend a Europe which questions American good faith, . . . spreads nuclear weapons to France and perhaps to Germany, . . . rejects and humiliates Britain and . . . puts the continent before the Atlantic—then they are asking [for] things that have never been, and never will be."[19]

The crisis came to a head after President Nixon decoupled the dollar from gold and Henry Kissinger's Year of Europe ended in mutual recriminations over the Yom Kippur war and Arab embargo. Kissinger concluded that America had overestimated its influence and that a supranational Europe and an Atlantic community were "likely to prove incompatible."[20] For the rest of the 1970s and 1980s, Washington repeatedly pressed the Europeans to prove themselves good citizens of NATO, while the Eurocrats quietly worked to broaden and deepen the EEC without alarming Washington. Britain and Ireland were admitted in 1971, and the community gradually grew to a dozen members (it has fifteen today). By the mid-1980s—under the whip of Jacques Delors and despite the resistance of Margaret Thatcher—Europe was drafting plans for a common currency, common defense and foreign policy, and the EU. Then the Cold War ended, and the European locomotive accelerated, not least because the Soviet collapse reduced America's leverage. In 1992, President Mitterand propagandized for the Single European Act with posters

[17] Geir Lundestad, *"Empire" by Integration: The United States and European Integration, 1945–1997* (New York: Oxford University Press, 1998), pp. 7–11.

[18] *Foreign Relations of the United States*, 1958–60, vol. 7 (Washington, D.C.: U.S. Government Printing Office), p. 296.

[19] Marc Trachtenberg, *A Constructed Peace: The Making of the European Settlement 1945–1963* (Princeton: Princeton University Press, 1999), pp. 304, 375.

[20] Lundestad, *"Empire" by Integration*, p. 102.

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depicting a Texas cowboy squashing the globe, and the insulted President Bush was obliged to remind Europe of its Atlantic identity. As late as January 1999, when France, Germany, and Britain discussed creating a force outside the NATO framework, Madeleine Albright rushed over to scold them. The United States would welcome a strong European pillar, she said, but only if it reinforced the transatlantic link.

Where does this history leave us today? Recent developments would seem to indicate that the Euro-American partnership is stronger than ever. France has rejoined NATO command. Tony Blair boasts of his friendship with Clinton. Gerhard Schröder's Germany is willing to take on new burdens while avoiding any hint of nationalism. The new NATO members—Poland, Hungary, and the Czech Republic—are the most pro-American of all. And opinion polls on both sides of the ocean show support for NATO almost as strong as during the 1980s. Meanwhile, the euro is launched and the European Commission's new chief of cabinet, David O'Sullivan, has pledged to work with the European Parliament in Strasbourg to design a supranational government.[21]

But what is the purpose of a unified Europe? To make it a worthy partner, or to challenge American leadership? As always, many who harbor the latter ambition speak with French accents. Mitterand denounced Euro-Disney as a "cultural Chernobyl" and declared that "we are at war with America. . . . Yes, they are very hard, the Americans. They are voracious, they want undivided power over the world."[22] Foreign Minister Hubert Védrine warns that America has gone beyond superpower to *hyperpuissance*, and urges Europeans to resist with nerves of steel. Two-thirds of Frenchmen claim to resent American dominance, and in 1998 the newspaper *Le Monde* declared it a "matter of national importance" that a French film celebrating Asterix, the Celtic comic book hero, do better at the box office than *Titanic*.[23] But the French are not alone. Germans resent the CIA's seizure of East German Stasi files, and call America "barbaric" for executing two German nationals convicted of murder. Italians fume over the acquittal of the two U.S. Marine pilots who accidently killed twenty people in the Alps. All Europeans are disgusted by U.S. sanctions against firms trading with Iran, Cuba, and Libya, and the coalition against Saddam Hussein has all but evaporated.

At the same time, Europe's dependence grows ever more glaring. Eighty percent of the air strikes in Serbia were flown by Americans,

[21] "David O'Sullivan, Eurocrat-in-Chief," *The Economist*, July 17, 1999, p. 47.

[22] Peter Rodman, *Drifting Apart? Trends in U.S.-European Relations* (Washington, D.C.: The Nixon Center, 1999), p. 55.

[23] Asterix was buried, 21 million to 8 million viewers—perhaps because the French were delighted by the spectacle of British technology financed by American banks sinking into the sea.

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and the European sorties relied on U.S. intelligence and command and control. Europe's defense budgets for 1997 totaled a mere $173 billion compared to America's $270 billion, and its spending on research and development was only $11 billion compared to America's $37 billion. But a European buildup is also unlikely given the absence of major threats and the budgetary discipline required for the euro.

Another disturbing trend involves the role of Britain. Author Hugh Young made a good joke in his book on Britain and Europe when he captioned a photo of John Major with the words: "My hesitation is final."[24] But as Peter Rodman has observed, Britain's skill at keeping one foot in the Atlantic and the other in Europe allowed it to act as Europe's mouthpiece in Washington and NATO's advocate in Europe. Now, Blair is jumping with both feet into Europe, which may complicate efforts to reconcile American and European interests.

Where do all these currents and crosscurrents leave our ships of state in the year 2000? First, European integration has indeed been driven by the desire to stand up to the United States. Secondly, NATO has indeed been a tool of American policy insofar as the United States can exploit its allies' dependency to keep them from drifting too far from shore. Thirdly, America and Europe are nonetheless stuck with each other—unless they prefer to face the twenty-first century alone. And that means they have no choice but to bury mythical pasts and futures alike, and tackle the practical problems of the present. Consider the European Monetary Union. Should Americans hope for the euro to flop? No, because a collapse of the common currency would hurt American exports while making European goods cheaper here, putting more pressure on our balance of payments. Should we hope for the euro to succeed? No again, because a strong euro will rival the dollar as a global reserve currency, putting pressure on U.S. interest rates and making European firms more competitive thanks to continental economies of scale. The only way to minimize friction is to create that Transatlantic Free Trade Association. The domestic barriers to it are prodigious, but the fact that the cost of labor is so high in the EU means that U.S. labor unions do not object to TAFTA the way they did to NAFTA. Another encouraging sign is the trend toward transatlantic mergers such as DaimlerChrysler, and still another is that even Europe's socialists recognize the need for reform. But whether or not a full TAFTA emerges, Euro-American conflicts can be muted if market forces are allowed to prevail over politics.

The greatest danger, however, is that the core purposes of NATO and the EU tend to pull them apart. Sam Huntington fears that a unified Europe would be "an extraordinarily powerful entity which

[24] Samuel Hynes, "Europe's Ambivalent Sister Gazes Across the Channel," *New York Times*, July 16, 1999.

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could not help but be perceived as a major threat to American interests." While the Pentagon's own defense plan states that "the US . . . must seek to prevent the emergence of European-only security arrangements which would undermine NATO."[25] Some policy analysts suggest that the best way to deal with divergence over roles and missions is to institutionalize them: that is, accept a division of labor whereby Europe takes the lead in local crises and America handles the rest of the world. But former NATO commander Alexander Haig damns such divisions of labor, warning that allies must be in it together—everywhere in every way—or they will soon cease to be allies.

If Haig is correct, then it logically follows that the worst mistake the United States and Europe could make is to try to "save" their alliance by committing it to a metaphysical partnership in pursuit of an unlimited agenda. For if every contingency around the globe becomes an existential "test of the alliance," sooner or later the alliance will flunk, recriminations will fly, fair Atlantis will sink 'neath the waves . . . and Andrew Roberts' jeremiad will come to pass in the twenty-first century.

[25] Kahler and Link, *Europe and America*, pp. 100–101.

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China's Economic Squeeze

by William H. Overholt

China is in a squeeze. The domestic cause is the same familiar one that sparked the recent Asian crisis: government use of the credit system to give special privileges to certain firms (in China's case, the state enterprises). Excessive credit has subsidized underproductive sectors of the economy and inflated a financial bubble. As in South Korea, the favored enterprises have used their access to excessive, low-cost funding to create vast empires of overcapacity and inefficiency. As in South Korea, the availability of funds regardless of profit supports a labor system that assures workers in favored sectors lifetime employment and a wide range of social benefits, even if their companies provide no useful output. And as in South Korea, the banks that underwrite this system now confront a daunting accumulation of bad loans that threaten the viability of the entire financial system and jeopardize decades of improvement in the standards of living.

China's financial bubble differs from South Korea's in important ways, however. Whereas South Korea's bubble was punctured by a foreign debt crisis in December 1997, China has proportionately far less foreign debt and proportionately far greater foreign exchange reserves, an advantage that shields the bubble to some degree from external pressures, but that provides no protection from significant internal problems. Secondly, China's state enterprises are also far less efficient and competitive than Korea's *chaebol*, and the squeeze comes at a much lower level of administrative and technological development. Thirdly, the sheer scale of management problems involved in conducting reform, given China's vast size and population, is orders of magnitude greater than in South Korea. Finally, given China's lower level of per capita income and political development, the consequences of a major economic setback could include extensive starvation and political upheaval, neither of which is at risk in South Korea.

Ironically, the timing of the squeeze results from good policy—the most proactive economic reform program in the world. Because the stakes

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are greater in China than elsewhere in Asia (except perhaps Indonesia), and because it currently has a forward-looking leadership, Beijing has attacked its problems before the onset of a crisis, rather than waiting to be overwhelmed by events as Indonesia, Thailand, and South Korea were. Notably, although China is learning from the smaller countries' experiences, it adopted a reformist posture well before the onset of the "Asian flu." In fact, China's successes in the four years prior to the regional crisis rank among the most inspiring achievements in the history of economic management. From 1994 to 1997, China pressed inflation down from 22 percent to negligible, maintained growth in the 9 percent range, stimulated a series of record grain harvests, raised foreign exchange reserves from U.S.$21 billion to $140 billion, attracted foreign direct investment that reached more than $40 billion per year, and initiated wide-ranging tax, legal, and banking reforms. Such achievements would have been noteworthy in the history of almost any country, but are particularly stunning in a country with a population roughly equivalent to those of the former Soviet Union, Eastern and Western Europe, the Middle East, and South America put together.

Having achieved all this, China nonetheless finds itself in a quagmire. As in South Korea and the other great economic success stories of Asia, the methods of guiding the economy that created the great economic takeoffs have also led to overcapacity, deflationary pressures, banking breakdowns, rising unemployment, and severe social strains.

The Momentum of Reform

It seems to be taken for granted in much of the press that Chinese reform has stalled. Certainly, the state enterprise reforms are behind schedule. The Asian financial crisis, coinciding with some of modern history's worst floods in the summer of 1998, exacted a heavy price because the pace of reform is ultimately constrained by the economy's ability to employ laid-off workers. But reform has continued at an extraordinary rate. During 1998, central government ministries were downsized by half. Although the plan was to do this within three years, it was largely accomplished in a single year. Virtually all of the dismissed state employees still live in government housing. Many are being supported by retraining programs or are going back to school at government expense, and most get two to three years of income and benefits comparable to those they enjoyed on their jobs. But there have still been vast savings and efficiencies. Some 30–40 percent do not get full retirement benefits, and no officials have been hired back (as would have happened in Washington, D.C.) under the guise of consultants or contractors. Hard budget constraints have been imposed.

The downsizing has so far excluded the military and the Communist Party, but all levels of government will eventually be affected, with four

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million jobs eliminated. Moreover, this huge reduction has so far been accomplished without creating a collapse of morale or a burgeoning political opposition. In interviews, government officials did not appear gravely disheartened by the changes. Asked how their former colleagues were faring, they answered that virtually all central government officials had quickly been employed, usually at higher incomes, by the private sector, where their skills and connections were badly needed. Only in China's 2,400 county-level governments is there more of a backup.

Military reforms also continue apace. The Chinese military has been heavily self-supporting, following the examples of Thailand and especially Indonesia in developing a vast array of businesses. The People's Liberation Army (PLA) not only produced armaments, but grew cotton, sold Baskin-Robbins ice cream, bottled soft drinks, co-owned Beijing's plushest hotel, and ran karaoke bars in major cities. Indeed, the PLA was the best partner a foreign investor could have, since army generals could "make things happen," commanded a national transportation and distribution system, provided excellent security—and could ignore the law. In 1998, the Chinese government decided to get the military out of business, a task so vast and delicate that it seemed impossible. But the impossible has apparently happened. China has many patriotic officers who recognized that soldiers who peddled ice cream were probably forgetting how to shoot straight, and the army was no doubt glad to get out of some businesses simply because they were losing money. Still, the politics were complex and the financial cost huge because the administration paid trust funds to army headquarters for the businesses it expropriated. But in the end the job was largely completed—again, within a year.

China has initiated a total reorganization of the PLA. Some 500,000 soldiers will be discharged—a huge cut that is particularly painful when the economy is slowing and many soldiers' wives are simultaneously losing their jobs. Conscription for three to four years is being reduced to two years. Professional noncommissioned officers are becoming more important, political commissars less so, and civilian education and reserve-officer training programs are getting new prominence in an effort to produce higher-quality officers. Division-level management is frequently being eliminated altogether. The strategic doctrine is being changed. Research and development and acquisition processes are being revamped, and civilian outsourcing is being introduced for equipment, hospitals, restaurants, and other needs. Finally, the military is being subjected to firmer civilian control: for the first time no military officer serves on the Standing Committee of the Politburo.

These breathtaking changes bode well for the economy as well as the military, and for the next seven or eight years will so preoccupy the PLA that China will need to avoid trouble with foreigners. What is more, the military reform has sharply reduced smuggling and permitted more accurate import statistics. This explains the amazing jump in imports that was reported as

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soon as the military was "put out of business." In March 1999, imports of beverages and tobacco rose 39.2 percent over March 1998, food oils rose 58.5 percent, and machinery and transportation imports rose 52.3 percent despite a weaker economy. As a result, government revenues will rise substantially because more tariffs will be collected, foreign exchange reserves will rise because less foreign exchange will be hidden offshore, and politically sensitive trade deficits with the United States and other countries will be revealed to be substantially smaller than previously believed because smuggled goods were not in the statistics.

Still, the ultimate cause of Asia's, and China's, financial bubbles is misallocation of capital. The most disastrous consequence of a popping bubble is collapse of the banking system. Hence financial reform, defined broadly as movement towards more efficient use of capital, must constitute the core of any reform. China's banks are sick, and it is uncertain whether they can be cured before a South Korean–style collapse occurs. China has chosen to emphasize that the banks cannot be made sound until their customers, namely, the state-owned enterprises (SOEs), are cured or allowed to die, because the SOEs are the source of the accumulating nonperforming loans. This is a fundamental strategic choice. South Korea has focused on fixing the banks and letting the companies fall as they may according to the market—except that the biggest companies have a death-grip on the banks and the government has therefore tried to impose reorganization. Theoretically, another option is to make the banks function on a market basis and pay the subsidies to selected state enterprises directly from the finance ministry. But financial reform has many dimensions, and it will be helpful to paint the broader picture before focusing in on SOE reform.

Macrostability helps. At the highest level, proper capital allocation is a function of macroeconomic policy. Premier Zhu Rongji's greatest contribution to financial reform in the 1994–97 era was to subdue the high inflation that was encouraging huge and wasteful investments in unproductive assets and threatening to create a real estate bubble. Zhu banned the banks from funding most such investments and brought inflation down to levels that did not encourage a real estate bubble, thereby avoiding the kinds of crises that humbled Thailand and Japan. To be sure, some smaller real estate bubbles have occurred, most notably in the office buildings of Pudong, across the river from old Shanghai, but even there rents have come down 60 percent, suggesting an old bubble popping, not a new one forming.

The currency peg hurts. On the other side of the ledger, the effort to keep the currency tied to the U.S. dollar requires that Chinese interest rates be tied roughly to American rates. This leads to extraordinarily high real interest rates in China's deflating economy and greatly inhibits the flow of funds at reasonable rates to Chinese companies. If the Chinese choose to devalue, the United States would be wrong to discourage them.

The moral hazard is declining. Asian economic models, particularly

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the more socialist ones such as in China and South Korea, encourage private banks to fund favored companies on the assumption that the government will guarantee its favorites. Limiting this tendency to make badly conceived loans is an absolute necessity for these economies. The central government tries to police the limits. Local companies, desperate for money, exaggerate the extent of government support, and bankers anxious for customers tend to imagine government guarantees where there are none. Just as South Korea is coming to terms with this problem through the insolvency of Daewoo, so China is dealing with it through the bankruptcy of GITIC and other prominent companies. Foreign bankers may cry in pain, but the crackdown is good for China's creditworthiness and demonstrates that China is more proactive than its neighbors. In the short run, however, foreign banks' refusal to lend to nonsovereign Chinese borrowers will worsen China's squeeze.

Contracting sovereign guarantees. Meanwhile, China has narrowed the range of sovereign guarantees that the commercial banks and leading companies like CITIC have long received. China's record in honoring those guarantees is as good as that of any country in the world, and being stingy in handing them out is vital to maintain a strong sovereign credit rating. The bond markets have rewarded China for this by giving it large amounts of money at reasonable spreads with correspondingly good ratings.[1] Similarly, China will no longer permit formal guarantees by local authorities of minimum returns on foreign investments.

Covering bad loans. China's banks, international trade and investment corporations (ITICs), and state enterprises carry nonperforming loans that amount to as much as one-third of gross domestic product (GDP). (These bad loans are what the Chinese call "triangular debt": money owed to one SOE by another, which is not being paid because a third SOE has not paid up.) The banks' bad loans are believed to amount to 20 percent of total bank assets. Official numbers are lower and some private estimates are higher. For comparison, Hong Kong banks, arguably the region's best, run 3 percent of assets in bad loans, Singapore's 6 percent, Taiwan's 5 percent officially and 8 percent according to private estimates, and Thailand's hit 49 percent. The latter result occurs when a government fails to address the problem until after a crisis hits. In addition, the rural cooperative banks reportedly hold bad debts that run 50–80 percent of total loans.[2]

In 1998 the government partially recapitalized the big banks with 270 billion renminbi raised through bonds. This was supposed to get them to an 8 percent ratio of capital to assets, the standard minimum, but international institutions regard all the Chinese banks as having negative equity. In 1999

[1] At time of writing, the spread was 145 points over U.S. treasuries. Moody's rating was A3, Standard & Poor's BBB+.

[2] All figures except private estimates for Taiwan are from central bank reports. Private Taiwanese figures came from the author's interviews with bankers in Taiwan.

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the government realized that the problem of nonperforming loans and inadequate capital remained critical, so it decided to adopt a good bank/bad bank approach—relieving a bank of its bad loans, telling it to manage itself better in the future, and turning the bad assets over to an asset management company (AMC) to manage.

Chinese officials speak of following the model of the U.S. Resolution Trust Corporation. Thailand used such a model recently to auction off billions of dollars of bad assets. This puts resources back to work quickly and does so at market prices. But China is actually planning something quite different. The prototypical "bad bank," China Cinda Asset Management, will take 200 billion renminbi worth of bad loans from China Construction Bank. It will be run by seconded employees of Construction Bank who will not hold auctions, but rather try to reorganize, merge, or reshuffle the companies and assets so as to make them productive again without cutting jobs. The assets will be priced by a third institution staffed by people who are supposed to ensure independent evaluations.

Such a process is unlikely to yield market prices, for it would take a brave official to mark assets down to a few cents on the dollar, as auctions abroad frequently do. Nor will it redeploy the assets swiftly. The priority given to avoiding job losses virtually assures that progress will be slow. There is also a serious risk of AMCs' selling to related parties at cheap prices or holding onto certain companies indefinitely to get the financial and patronage benefits of controlling them. At worst, this system could become a politicized, bureaucratic nightmare. To be sure, the government has also acted to improve bank profits by liberalizing interest rates and tax policies, and the current scale of its bad debt problem is manageable, at least for a couple years. But the AMC system as planned is not reassuring to anyone who would like to see China's financial assets deployed quickly and with market efficiency.

It must also be said that China's banks have some crucial things going for them. The government has acted long before a collapse, high savings rates keep the banks liquid, and high lending rates and low deposit rates create a wonderful opportunity to recapitalize. So there is hope.

Avoiding new bad loans. The government has taken a number of steps to discourage the further accumulation of bad loans, following a path that might be called extreme moderation. The first steps have been administrative. The central bank, the People's Bank of China (PBoC), was forced to divest its commercial banking and trading businesses and become a pure regulator. This removed many layers of conflict of interest. The PBoC was also reorganized into a federal system, with each of nine newly created regional divisions covering more than one province, in an effort to render bank management less vulnerable to provincial, municipal, and party pressures. The commercial banks were in principle separated into real commercial banks, which are supposed to follow market imperatives, and policy

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banks, which provide subsidized or high-risk loans for approved purposes. At the beginning of 1998, the commercial banks were freed to make their own decisions and virtually stopped lending to anyone. After two months, the central bank ordered them to begin again, because half of the government's stimulus program relies on bank financing. On balance, lending has become somewhat more autonomous and substantially less focused on the SOEs, but progress has been gradual.

At the level of individuals, anticorruption campaigns have been organized. Top bank managers were given contracts subject to periodic reviews of their bad loans, and put on notice that they would be fired, or worse, if their banks performed poorly. They responded like their counterparts elsewhere in Asia by refusing as much as possible to make loans and investing safely in (increasingly available) government bonds. This produced a credit crunch just when the government desperately needed to stimulate the economy. Beijing responded with moral suasion, arm twisting, and a tremendous push to support the building of infrastructure projects by SOEs. The result was a substantial weakening of the drive against bad loans. More fundamentally, the banks have two million employees, virtually none of whom has any credit training. Only the top few have any incentives to avoid giving bad loans.

The government has also started relying on outright bankruptcy, which terminates a flow of bad loans and forces the banks to recognize their losses. To its credit, the government has gone after some very big fish rather than just chasing the minnows. The bankruptcies of Hainan Development Bank, CACTIC, and GITIC provided an unmistakable lesson. But the government has also been wary of increasing unemployment, so the total number of bankruptcies has remained small: only 540 in 1996, fewer in 1997, and probably just a bit more in 1998. By comparison, Japan, with a population only a tenth as big as China's, had 18,998 bankruptcies in 1998. Moreover, as in many other Asian countries, China's bankruptcy law is difficult to invoke.

These policies have avoided the three extremes of forcing many sudden corporate bankruptcies, allowing the banking system to collapse, or delivering all key SOE subsidies directly from the government budget. Purists would insist on one of these approaches, but the danger of mass unemployment or financial collapse argues against them. In the vast administrative expanse of China, the real risk is that the reforms will be nibbled to death by hundreds of thousands of bureaucrats.

Delivering capital efficiently. The converse of the imperative to limit bad loans is the necessity to deliver good loans. Here China faces a fundamental structural problem. Until recently, banks lent almost exclusively to SOEs, and the equity and bond markets have been equally focused on the same sector. Stock market listings are difficult and highly political. Foreign banks, which have more skill at lending to smaller borrowers, can take local deposits only up to 35 percent of their foreign exchange deposits and are

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permitted to operate only in limited experimental zones. But China's economic dynamism has come primarily from private enterprises, town and village enterprises (TVEs), and the small and medium-sized enterprises that banks tend to ignore. The success or failure of China's economic reform program depends on one thing—jobs—and the ability to create new jobs lies entirely outside the SOEs. The 44,000 rural credit cooperatives that once supported the most dynamic job-creating firms are mostly insolvent. So China's dilemma is that its financial institutions have virtually no capability to support the companies that will determine the fate of economic reform and ultimately of the political regime.

The government recognized this problem and took a major step when it revised the constitution to legitimate private enterprise. A second step was to declare formally that the banks should make loans to non-SOEs, form departments for lending to small and medium-sized enterprises, and create new ways of accounting collateral and new forms of guarantees that will facilitate loans to smaller companies. Some of the crippled rural credit cooperatives are being reformed and upgraded into what are called Rural and Urban Collaborative Banks, but there are only a few of them. Officials speak approvingly of Minsheng Bank, owned by the All China Federation of Trade and Industry, which lends exclusively to non-SOEs, but it is very small. The government has decided to allow private enterprises to list shares domestically and abroad, and has pumped up domestic stock markets. Thus far, China does not have a domestic venture capital market, though foreign direct investment funds are always looking for companies to buy. In August 1999 Beijing authorized a large expansion of foreign banks' authority to deal in local currency, potentially a major step because foreign banks have the credit skills that Chinese banks lack. In sum, progress is evident, but still very slow.

Delivering credit to the smaller enterprises also requires real ownership reform. For many years, the most dynamic part of the economy was the TVE sector. But ownership ambiguity has reduced incentives, diffused responsibility, and made for confused relations with financial institutions. Local governments do not want responsibility for the failed TVEs, but they do not want to lose the profits and patronage of the successful ones. The result is a morass. Privatization has occurred in some areas and been helpful, but the central government opposes its expansion.

In South Korea, which until recently had a banking system similar to China's, bank credit went primarily to large, government-favored conglomerates, while smaller, less-favored companies were serviced by informal, largely illegal finance companies collectively known as the "curb market." Although abuses provoked periodic crackdowns and curb market interest rates were high, the smaller companies got their money and real credit skills emerged among the finance companies. In China, similar institutions have long existed, but they are inclined to create destabilizing pyramid schemes. In its caution, Beijing has in recent years cracked down on the curb market just

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when it is most desperately needed. The future of the Chinese economy depends on Premier Zhu Rongji's efforts to untangle two great, interrelated paradoxes of reform. China must save the banks from collapse by healing their ailing customers, but SOE reform requires laying off multitudes. Hence, the economy must be stimulated to create vast numbers of new jobs. This imperative in turn leads the government to pressure the banks into making new loans that the banks by themselves would reject as too risky. Add to this vicious circle the fact that the entire financial system is geared to support companies that cannot create new jobs and simultaneously lacks the skills to identify winners that can create jobs, and China's squeeze becomes painfully visible.

State Enterprise Reform and Unemployment

The SOEs face multiple crises. They face a crisis of marketization because they were not originally structured to cope with market prices or pressures. They face a crisis of management because government bureaucrats appoint their managers and their incentives are not aligned with market performance. They face a crisis of competition because other SOEs and new private, collective, and foreign enterprises are more efficient. They face a crisis of overcapacity because a half-century of generous financing divorced from market performance has encouraged them to expand capacity with profligacy—as with South Korean *chaebol.* And they face a crisis of finance because their lenders are being put on a market basis and no longer voluntarily lend to most SOEs. Some of these are crises of success. For China to have moved from centuries of extreme scarcity to generalized overcapacity in less than twenty years is an historic triumph. But it nonetheless creates serious problems.

The rapid shift from scarcity to overcapacity is a triumph, but a problematic one.

State enterprise reform has been under way for a long time. The disciplines of market prices were gradually imposed, and competition among the SOEs was gradually increased. For instance, China originally had only one exceptionally bad airline, whereas now it has thirty carriers, mostly of international standard. Thousands of SOEs were sold to foreigners or merged into stronger SOEs. Many jumped into the arms of foreign joint-venture partners, ceding management control and market access in exchange for financial, technological, or marketing infusions. The condition of the state enterprises varies. Power and telecommunications are in decent shape, and oil and petrochemicals went through a successful reform in 1998. But manufacturing in most categories suffers from overcapacity and obsolete technology, while weapons, timber, and coal are in especially bad shape. Airlines, railroads, and refineries vary with the

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economic cycle. According to the State Statistical Bureau, 42 percent of SOEs showed losses in 1997 and 45 percent in 1998, but the loss-makers were losing less, and in the first quarter of 1999 the profits of the profitable SOEs rebounded to the level of 1997.[3]

In the recent wave of reform, the slogan has been, "Seize the large, release the small." The ideology of public control is maintained by retaining state ownership of the bigger companies, with emphasis on about 1,500 of them. Several hundred thousand others have been delegated to provincial or local governments that sell them off, or strip their assets and let them die. Despite the central government's concern over the process of mass, spontaneous privatization, it appears to be continuing. This is what happened in the early 1980s when the farmers started privatizing their farms, and the reversion of agriculture to family control proved hugely beneficial. To be sure, spontaneous privatization is frequently neither equitable nor legal, but in the long run is probably efficient.

Among the large enterprises, it is difficult to quantify the results, but rapid movement has occurred. There are formal goals for reducing excess personnel and capacity in textiles, coal, and petroleum, and observers believe the programs are nearly on target. Successful reorganizations of oil and petrochemical groups and key steel mills have been completed, and telecommunications is being restructured. In 1999, the government planned to remove 4.5 million spindles from textile production and to close 28,000 coal mines with 250 million tons of capacity. Mergers, reorganizations, and management changes are the primary tools of reform, rather than breakup or bankruptcy. Initially, the government was fascinated with the idea of creating giant, world-scale conglomerates like Korean *chaebol*, but that obsession seems to have dimmed, perhaps because of the condition of the *chaebol*.

One indicator of ongoing reform is that loans to SOEs have declined to about 55 percent of total bank lending, as opposed to 99 percent a few years ago. At the same time, however, most observers agree that the government is so sensitive about adding to unemployment that most obsolete firms remain open. The best indicator of the pace of reform is layoffs. The original estimate was that about 30 million SOE jobs would have to be cut over a three-year period. Through July 1999, about 24.4 million workers had lost their jobs, but almost half of those cuts occurred by the end of 1997, and the government decided to slow the layoffs in 1998. Still, international observers believe that layoffs continue, the best indication that SOE reform is serious. Of the 17 million laid off through 1998, according to official statements, 6 million have not found new jobs and another 6 million are officially registered as unemployed. The picture one gets from these figures is of an unemploy-

[3] China has many accurate statistics and some very unreliable ones. Because of poor accounting practices in enterprises, SOE losses may be the most unreliable of all of them.

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ment problem that involves large numbers, but only a small proportion of the population. Even when one doubles the unemployment numbers to include those who have been laid off but are not yet counted as unemployed, the percentage of people out of work relative to the whole workforce is still less than in the United States during the late 1970s and early 1980s.

In fact, the situation is both far better and far worse than such numbers suggest. It is far better because many of the unemployed and laid-off do in fact have gainful employment. Some 10 million workers are receiving six- to twelve-month retraining courses. Many others have "moonlighted" in private-sector jobs that pay more than their "day" jobs did at the SOEs, although it is impossible to pin down how many have benefited from this, because workers fear losing benefits if they report their real status and because opportunities vary widely from one part of China to another. But the proportion of those counted as unemployed who actually have jobs is by no means small. In some parts of the country, there are large concentrations of truly unemployed people. Recent visitors to Shenyang say that each day more than 10,000 people gather daily in the public park looking for work. The fear that has led much of the population to reduce expenditures indicates how real the unemployment problem is. And yet, the testimony of people who have traveled all over China supports the conclusion that people are not yet hungry and desperate. The government has patched together a system that provides what is called the "minimum living wage" (varying by city), training programs, job transfer assistance, and encouragement to look in the tertiary sector, and so far the patchwork is holding. Whenever it appears that the patchwork will not feed people, the government slows down reform. In September 1999 it increased unemployment payments by 30 percent to an average of $26 per month.

China's service sector was suppressed during the era of the planned economy, so liberalization has spawned a huge expansion of service jobs. China has far more waitresses, child-care workers, milk deliverers, and the like than it did a few years ago, and this expansion is absorbing large numbers of laid-off workers. Moreover, these jobs are not necessarily worse or lower paying, particularly for workers who can often keep their housing and some other benefits from their previous positions. The government is also speeding up establishment of a social security system in an attempt to unify the patchwork of measures currently in place. It will allow women to retire from SOEs at the age of forty with full pensions that they will retain even when they find jobs in service industries, as the majority likely will. The government is also simplifying and reducing the legal and financial requirements for setting up private enterprises. Registration in Beijing can now be done in a week rather than months, and an extensive network of retraining centers will seek to facilitate movement of workers from manufacturing industries into services.

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Unemployment and Political Risk Assessment

China's workers have not organized a vast, subversive underground, and protests have been rare (relative to China's population) and sporadic. In fact, the protests belie the common Western assumption that they reflect situations where workers have exhausted all means of redress and, in desperation, resort to protest. More commonly, workers react to layoffs by initially staging a demonstration in front of the government offices, only to figure out that the government and their SOE really have no money, whereupon they look for jobs on the open market. In those limited instances where workers are truly desperate or angry, the government buys them off. Premier Zhu has made strong, high-profile warnings that local governments must not use violence to suppress demonstrations. In other words, things are often better than they appear.

But in some respects they are also much worse. Many unemployed women over forty who lack special skills are in desperate circumstances because nobody wants to hire them. Government officials believe that the real number of unemployed—including all those currently labeled as "waiting for work" but omitted from the unemployment statistics—is about 100 million. There are another 250 million farmers who would like to move to the cities—roughly equivalent to the entire population of the United States and more than double the entire U.S. workforce. Thirteen to fifteen million new workers are added each year just through population growth, while according to some estimates the SOEs still need to shed 20 million workers in addition to the 24 million they have already laid off. These numbers inspire fear and awe. What is going on here is so far removed from most of the previous experience of the human race that it is difficult to put it in perspective. How can any reform program succeed in the face of such figures?

An analytical perspective on unemployment. Chinese statistics purport to show that unemployment used to be virtually nonexistent, rose throughout the reform period, and is now low but rising. The reality, in Western terms, is that Chinese unemployment used to be incredibly high and that throughout the reform period it is still high but has probably been falling drastically. To understand this anomaly, one must go back to fundamentals and reinterpret the whole communist period. Mao Zedong's social program is normally characterized as radical Marxist, but in fact it was an effort to return China to a form of peasant feudalism. Farmers were pinned to their villages, largely prevented from moving to other villages or the cities, and were forced to stick to traditional crops. The status of a family was to be determined not by ability or by the market, but by what the status of the parents or grandparents had been. The radical element in this feudal structure derived from Mao's desire that the rich peasants become poor and the poor peasants become rich, but the system itself was reactionary. Urban industrialization merely represented an effort to replicate peasant feudalism inside steel mills

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and aircraft factories. The state enterprise, like the peasant village, was to provide all services from work to housing, education, medicine, political organization, and marriage counseling; there was no modern differentiation of function. Workers were supposed to stay in the same industry for their whole lifetime, and for the most part sons would follow their fathers into the same mill.

So inconsistent was this model with the reality of rapid economic and demographic change that after thirty years a large proportion of the peasants and workers were no longer adding real economic value. Farmers grew crops for which there was no demand, and workers produced goods that nobody needed. Many workers had almost nothing to do. But the farmer whose inputs cost more than his output was worth officially "had a job," as did the worker who made refrigerators nobody bought. In the West, somebody who had nothing useful to do and was being given a subsistence wage by the state was categorized as unemployed or on welfare. In China, the peasant or worker in that same situation was categorized as employed. Hence, the statistical methods were not inaccurate or dishonest, but based on an entirely different way of thinking.

If we instead employ Western categories, we would have to judge the 90–150 million peasants of the pre-reform era who added almost no marginal value to the economy and drew only subsistence wages to be unemployed. Likewise, the 250 million who now are at subsistence levels and who could move to the cities without greatly affecting agricultural production should be counted as unemployed. There is no way to come up with a precise number, but a reasonable estimate is that perhaps 40 percent of the rural workforce was unemployed under Maoist communism.

The proportion of industrial employees doing no useful work and being given a subsistence wage by the state was just as high. The government speaks of the need to lay off 30 million out of a workforce of 180–210 million, suggesting a rate of "functionally unemployed and on welfare" of at least 15–16 percent, and perhaps much more. When Hong Kong companies buy Chinese companies, it is not unusual for an enterprise quickly to multiply production by five or six times with less than half the original workforce. There is little disagreement that cutting the Chinese central government in half, as has just been done, is more likely to raise than to reduce the effectiveness of the ministries. In other words, the rate of functional urban unemployment has probably also been approximately 40 percent.

As feudal constraints on physical mobility and job mobility have been removed, an enormous flowering of new jobs and useful employment has resulted. The TVEs created more than 100 million jobs in rural areas, and some 90–150 million migratory workers now have useful jobs in the cities. At one time, rural people who moved into the environs of Shanghai were experiencing a fast 700 percent improvement in their standards of living—the consequence of moving from functional unemployment to productive em-

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ployment. Tens of millions of people who were nominally employed in state enterprises, but in reality were doing nothing useful, put their energies and resources into sideline occupations that added value and moved their families above subsistence level. Functional unemployment has thus surely declined significantly. The remaining feudally organized steel mills and clothing factories, however, eventually cease to function, or find that customers no longer want what they produce. When subjected to competition from more flexible enterprises, they simply collapse. Functional unemployment then turns into nominal unemployment and generates the statistical illusion of rising unemployment.

This development creates two kinds of dangers, neither of which necessarily derives from any rise in the overall level of real unemployment. One is that, in certain areas, pockets of workers could be left unemployed and desperate, generating a critical mass for potential revolt. The second is that the concurrent shifts from feudal security to market insecurity, from rural homes to unfamiliar cities, and from unproductive jobs into productive ones could combine to create such a high level of anxiety that the entire social order becomes vulnerable—even in the context of a general rise in living standards. People can become distraught when life is unpredictable, none of the old rules apply, rule-breakers become winners, and new rules have yet to replace the old. At this point, China appears to be coping well with the potential risk posed by the enclaves of desperate and dissatisfied people. The regime has explained itself and made visible efforts to ameliorate potential sources of discontent, so that ideologies of revolt and antagonism have been slow to develop. When people have rioted, the government has largely been able to buy them off. At the same time, it has been repressive enough to prevent discontented groups around the country from merging into a broad opposition, but not so brutal as to trigger resistance.

Given the rapid reduction of unemployment and rise of living standards over the past twenty years, and given the government's careful prevention of another Tiananmen Square–style confrontation, social anxiety has been expressed benignly in high savings rates and the rapid spread of religions, cults, and self-improvement societies. China is experiencing a renaissance of Buddhism, Christianity, Confucianism, *qi gong*, and much else. The vast Falun Gong and Xiao Gong movements testify to omnipresent insecurity and spiritual emptiness, but their energies are directed towards self-improvement within the context of the existing political and social system, not towards overthrow of the system. If the reforms foundered, or some shock convinced important parts of the population that the government was incompetent or malicious, then these individualized responses to change could rapidly develop into Solidarity-type unions, violent secret societies, warlord-type rejection of central policies, and revolutionary ideologies. None of this is happening today or appears to be in prospect. However, repression of Falun Gong, which ostensibly had more members than the Communist

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Party, does risk triggering a political backlash. But continuation of the current stability depends entirely on avoiding massive economic setbacks, projecting a sense of steadily progressing reform, and maintaining the conviction that the government is competent and vigorous. Russia in the decades prior to 1917 was Europe's fastest-growing economy, and France in the decades prior to 1789 was progressing economically and attempting to institute significant reforms, but both foundered when they experienced major setbacks.

One of the most important aspects of Chinese reform and the management of unemployment has been the high-profile effort to create a national pension system. So far, its fruits have been limited. Pension liabilities are large and ambiguous, and each solution creates further problems. The government is trying to consolidate local pension pools into provincial pools, and provincial pools into a single national pool. As this happens, the units tend to make big payouts and greatly expand eligibility, which exacerbates the funding problem even as the government tries to make it better. Likewise, the reform of the SOE sector aiming at a net deficit of zero by the end of the year 2000 will admittedly have to be pushed out another two years. Even so, the goal is ambitious. Current losses are accounted as 1.4 percent of GDP (international observers believe the figure is more likely 3 percent, or $25 billion), which is actually relatively cheap if one regards it as the price of a system that covers all of China's urban workers for unemployment, medical care, education, pensions, and other social services.

Chinese thinking about the state enterprises is divided because younger, more market-oriented thinkers believe that state ownership itself is the core of the problem, while older officials tend to think that the problems have little to do with ownership. The latter, who still dominate government policy, say that it is the imposition on SOEs of social burdens such as education, medical care, pensions, and housing that makes them unprofitable, and that the government stripped their best assets and left only outdated technology behind. Hence, they argue that state enterprises can be profitable and forward looking, like Singapore Airlines, while private enterprises can also be poorly managed and reliant on state support when they get into trouble. Finally, they cite data showing that privatization in Eastern Europe accomplished little by way of improving efficiency. So China's current policy towards the big SOEs is to concentrate on efficient management, improved technology, and reduction of social burdens. Critics of this line of thought argue, on the other hand, that the market would be more ruthless in eliminating poor companies and more generous in rewarding good management, matching managerial incentives with the bottom line.

The debate between the relatively pro-socialist older generation and the relatively pro-market younger one is virtually the same as the debate between the old British Conservative and Labour Parties. But the entire spectrum of the debate has moved in a market direction at perhaps ten times the speed of the British debate. Many of the top forty-year-olds in China's

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government are well to the right of the Conservative Party before Margaret Thatcher, and most of the key officials under Zhu Rongji are well to the right of Labour before Neil Kinnock on the subject of state enterprises. China's fate hangs not on ideology, but rather on whether the reform program can be sustained and financed through the next three years. At this point, it appears that it can be, but it remains potentially vulnerable to extraneous events such as 1998's great floods, international confrontations over Taiwan or other issues, or weakening of reformist leaders.

Growth and the Sustainability of Reform

Anxiety has risen along with layoffs, with the same consequences as elsewhere in Asia: spending has declined and savings have increased because planned reforms of education and medical care would force families to pay new bills and in fact reduce disposable income by about one-third. Savings may have been further enhanced by the looming prospect that families may have to, or be able to, buy their apartments—for the first time since 1949. As a result, retail consumption has declined from a previous growth rate of well over 20 percent to under 10 percent in 1998 and early 1999. Efforts by the government to prop up spending by encouraging the banks to give generous consumer loans have not as yet been successful. Exports, which had been growing at more than 20 percent annually, declined 7.9 percent in the first quarter of 1999. Declines in local spending and in Asian export markets, the reluctance of banks to lend, and the flood devastation have sharply curtailed Chinese growth.

The TVEs, previously the great engine of employment growth, have suffered as a result of weak consumption, fewer exports, and more competition. Ironically, efforts to upgrade the state enterprises have undermined the TVEs since SOE department-store prices are now close to those of the TVEs. The rural credit cooperatives that funded the TVEs are in more trouble than the big banks, creating a funding problem only enhanced by the government crackdown on informal finance companies. At the same time, foreign investment has begun to decline as euphoria over the size of the market and pace of economic growth has faded and the Asian crisis has reduced the cash available to overseas Chinese investors. China is leveling the playing field that previously gave foreign companies big advantages over domestic ones, but this will not increase foreign investment because, in these uncertain times, foreign commercial banks have simply walked away from China. In the wake of the GITIC bankruptcy, there are virtually no new loans to nonsovereign entities, and project finance is nearly gone. All this has raised the prospect that China might lose its capacity to create new jobs at a time when reforms are laying off tens of millions of workers.

Fear that weak growth and the failure to create new jobs could lead

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to political unrest has driven the government to insist on the necessity of an 8 percent economic growth rate. In the past, each one percentage-point growth in GDP created 850,000 jobs in agriculture and industry plus another 500,000 tertiary jobs. The government is counting on that, but the new kind of growth will probably not replicate those figures. Growth in 1998 came in at 7.8 percent and in 1999 is officially projected at 7 percent. Such growth, moreover, is being achieved only through massive fiscal stimulus: fixed asset investment and infrastructure spending, mostly in the form of government funds directed to big SOEs for projects in areas such as irrigation, electricity, telecommunications, ports, and rural roads. If the projects are well chosen and well constructed (an optimistic assumption, at best), such growth could be helpful to China's future. But it does not have the same beneficial effects on China's neighbors and it does not generate jobs on the scale of the earlier growth. Thus it is vital to get back to broader-based dynamism, both to ease the fiscal burden and to generate the jobs that can sustain reform.

Although the official fiscal deficit is only 1.7 percent of GDP, the real deficit is some multiple of that. Chinese statistics exclude interest payments from the calculation of the budget deficit, and they exclude all the deficits of China's multiple layers of provincial and local government. No precise data are available, but the most knowledgeable observers estimate the total fiscal stimulus at 8 percent of GDP or more. For now, the huge deficit is bearable. Given the reality of deflation, an expansive deficit will not immediately cause inflation. Nor will it create a debt crisis, since government debt is only about 10 percent of GDP (although inclusion of nonperforming loans would raise this figure to perhaps 45 percent). Compared with, for instance, around 100 percent for Japan, this seems quite modest, but there are limits to how long such deficits can be sustained. Whereas G-7 countries can raise tax revenues to 40 or 50 percent of GDP when necessary, China has difficulty getting much more than 10 percent. For a couple of years, the country's stellar savings rate should make it possible to float bonds and cover the deficit (as required by a 1994 law), but such stimulus cannot continue for many years. Bond issuance has already gone from 4 percent of government revenues to 20 percent between 1993 and 1998. The PBoC has repeatedly reduced interest rates. This helps, but nominal interest rates remain high and real interest rates even higher.

Aside from infrastructure development, China's economic managers, well aware that housing was the backbone of Singapore's success, have bet heavily on creation of a mass housing market. Since the government and SOEs currently control almost all housing, the hope is that a shift to a private housing market will create a great wave of building and furnishing purchases. The State Statistical Bureau says that housing construction has accelerated sufficiently not only to become the fastest-growing form of infrastructure investment, but also to spur growth in the glass and steel industries.

Unfortunately, the overall rate of housing reform has been disap-

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pointing, and resentment is growing. Wages just do not pay the cost of new housing for most people. Credit is given to the developers and construction companies for only one year and at very high interest rates, and all sorts of fees are levied for consultation and transportation. These companies are effectively excluded from issuing either stocks or bonds. Most are small in size, high in debt, and low in creditworthiness. They have to build very quickly and usually provide cheap, low-quality flats that excite little demand. Loans to consumers, who would insist on better quality, are now officially encouraged, but still rare. Because interest rates are fixed, it is impossible to securitize mortgage loans. The housing market is highly illiquid because the government and the SOEs still own nearly all of the stock. In addition, government restrictions on the sale of properties slated for privatization have kept the secondary market small, although further liberalization was announced in September 1999. In many cases, ownership is unclear. Senior executives and officials build housing for their companies or ministries and then sell it to themselves or families and friends for a song. On balance, the housing reform is a good idea and may well drive another great wave of Chinese development, but it is unlikely to take off sufficiently fast to ensure the success of the broader economic program.

China's ultimate hope is that households will begin spending and exports will rise. However, while the gradual recovery of China's Asian neighbors may in fact boost PRC exports, the neighbors' ability to produce competing exports will also revive. The fate of reform in China therefore rests with domestic-led growth, which entails a vast strategic shift from an economy driven heavily by foreign trade, investment, and financing to one driven primarily by internal engines. The risks associated with excessive dependence on foreign sources of growth and finance have been underscored by recent events including American anger over the trade deficit with China, the cessation of most foreign bank lending, the 1998 collapse of Asian demand for Chinese goods, and European protectionism. The huge fiscal stimulus necessary to keep the economy going and the concomitant enhancement of China's infrastructure may lay the basis for a future reliance on domestic demand. Significantly, this approach implies neither a return to autarky nor a rejection of the opening to the world that has taken place over the past two decades. Rather, it represents a rebalancing of the kind that the United States and Europe have urged upon Japan (quite unsuccessfully, it must be said) during that same period. If this rebalancing succeeds, then China will have reached more solid ground both in its sources of growth and in its relations with its trading partners.

Can the Reform Be Sustained Politically?

Chinese reform is one of history's most ambitious attempts to reshape a society. So much change is inherently risky at three levels: the top leader-

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ship, the implementing bureaucracies, and affected social groups. The prevailing view of Chinese reform from 1979 onward has been that it depended overwhelmingly on one man, initially Deng Xiaoping, now Zhu Rongji. This is partly correct, but mostly wrong.[4] The broad directions of reform have long since become matters of consensus. Every elite family and every social group was harmed, and often seriously, by the madness of the Cultural Revolution (1966–75), while tens of millions of people perished in the earlier Great Leap Forward (1958–61). Conversely, with no exceptions, every social group has benefited from the post-1979 reforms, so there is broad consensus at both the elite and popular levels in favor of their continuation. China has few Soviet-style leftists today, and no significant Maoists.

Moreover, the entire top leadership has acknowledged for about the past five years that failure to address the state enterprise and bank problems would eventually lead China toward a fate similar to what happened to the Soviet Union in 1989. A debate about SOE strategy lasted some four years, but the result was a consensus among leaders on the basic course of reform and the awarding of the premiership to Zhu Rongji with a mandate for radical change. That does not mean the decision is irreversible or that no disagreements exist. But it is clear that the leadership has a shared sense of both the problem's urgency and the direction in which a solution lies. That said, the collective leadership chose Zhu to spearhead reforms because he is uniquely forceful and coherent in implementing the strategy. If he were weakened or sidelined in favor of less-committed reformers, China would not reverse course, but it could lose momentum. And momentum is crucial for getting past the soaring unemployment and institutional upheavals before the money runs out. At this moment, the strategy is still in place and Zhu very much in charge, despite insistence from some quarters that he delegate authority over key institutions. But he and President Jiang Zemin were seriously wounded by Clinton's turnabout on Chinese membership in the World Trade Organization (WTO) and the accidental NATO bombing of the Chinese embassy in Belgrade. Some observers believe there is a slightly perceptible coalescence around Li Peng, now head of the National People's Congress, among bureaucrats upset about WTO concessions, disappointed former military businessmen, and others. Li Peng has been giving speeches denouncing hegemonism, presumably positioning himself as the beneficiary of any backlash against foreigners. But if such a grouping is in gestation it is still immature. Just three days after the peak of demonstrations over the embassy bombing, the leadership reaffirmed its determination to get into the WTO, and during its August 1999 annual retreat at Beidahe the leadership rededicated itself to reform and

With no exceptions, every social group has benefited from the reforms.

[4] See William H. Overholt, "China After Deng Xiaoping," *Foreign Affairs*, May/June 1996, pp. 63–78.

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pledged to accelerate SOE reform, housing liberalization, and access for foreign banks, and to increase use of stock markets. The reform movement is still on track.

Another substantial risk, however, is that officials in the ministries and provinces might nibble the reforms to death. The premier's orders have to pass through thousands of hands in order to be implemented. China is the country that, during the Cultural Revolution, invented the concept of "waving the red flag to defeat the red flag"—shouting Mao's slogans while trying to move in the opposite direction. What makes predicting the future difficult in China is the layers of protective coloration that dissidents are capable of donning. All one can say is that, across the board, from the government to the military to the banks, implementation of reform seems to be in the hands of exceptionally capable and enthusiastic people. Certainly, there have been tactical retreats, for instance, the order in the second half of 1998 to slow down SOE layoffs, and market reforms are often implemented with a socialist twist, as in the case of the AMCs. Following the 1999 Beidahe meeting, it also appears that there will be greater delegation of authority, weakening Zhu's direct authority over key institutions. But delegated authority may pass to younger and *more* market-oriented officials.

At the popular level, China's situation is complex. Every major group has benefited from reform, but change is so rapid and potentially disorienting that the Chinese body politic could become vulnerable to anxiety attacks. For the first time, there are large groups which, although they are being provided with subsistence incomes, may see themselves as big losers—particularly SOE employees in certain parts of the northeast and Sichuan. Moreover, modern communications and a relaxation of restrictions on freedom of speech have given dissidents the ability to communicate with large numbers of people over great distances regardless of what the leadership desires. Thus far, no large groups are hungry, and while scattered protests occur, there is no widely accepted dissident ideology, labor union, or political movement. This is because most of the society believes the government is trying its best to help the people and believes it is in fact making progress. That could change in the event of major economic setbacks, but it has not happened yet.

Crucially, the intelligentsia almost uniformly backs the reform program and the premier who is implementing it. Invited to give a centennial lecture at Beijing University in 1998, I was amazed to find the campus full of supporters of Premier Zhu. Normally, Third World university students are hostile to their regimes, and South Korean students have been in usually violent opposition to their governments throughout the twentieth century. For one of the first times in modern history, universities in China today are solidly behind a reform and its leader.

But how much more stress can the system take before reform is hobbled? This is a much harder question to answer than those about financial sustainability. Resistance to change is ubiquitous, as in any society. The

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arguments that things are going too fast, that the collateral damage is too great, that the principles of the revolution are being betrayed, that Chinese interests are being sold out to foreigners, and that particular groups are being asked to pay too high a price, come from many directions. From abroad, China and its leaders are besieged by pressures, particularly from the United States, for economic and political concessions beyond what any Chinese leader could accept and hope to survive. Zhu's proffered concessions on WTO membership in the spring of 1999 drew particularly vociferous reactions from affected ministries, and the humiliation inflicted by Clinton's reneging on the deal did far more political damage to Zhu than has been publicly acknowledged. The subsequent student response to the accidental bombing of the Chinese embassy in Belgrade (which was *not* primarily orchestrated by the Chinese government) showed how widespread resentment and fear of the United States have become.

On balance, reform remains on track and its defenders deeply entrenched. But the severe damage done to the strongest advocates of rapid domestic reform and international opening by unanticipated problems with the United States shows that there is risk that further unnecessary shocks, either domestic or international, could endanger progress. Taiwan president Lee Teng-hui's "state-to-state" declaration in July 1999 and his August 1999 bid for membership in a regional theater missile defense alliance have enhanced the prospect of serious international conflict and damaged Zhu and Jiang Zemin relative to the hardliners. And at this point in its movement, China cannot afford to pause because, while it might slow down the loss of some jobs, it would also undermine confidence in the leadership's abilities and the wisdom of their goals. Once one has mounted the tiger of reform, the worst one can do is try to dismount prematurely.

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The Chinese Puzzle of Taiwan's Status

by Jacques deLisle

When Taiwanese President Lee Teng-hui told a German radio interviewer in July 1999 that relations between the People's Republic of China and the Republic of China on Taiwan were "state-to-state or at least special nation-to-nation" relations, a diplomatic firestorm predictably ensued. Beijing bitterly charged that Lee had finally revealed his true face as a "splittist" who sought independence for Taiwan.[1] Great powers and small alike scrambled to reaffirm their "one China" policies. President Clinton telephoned his Chinese counterpart Jiang Zemin in Beijing to reaffirm the U.S. commitment not to change the status quo, and senior American officials were dispatched to Taipei to press for clarification or revision of Lee's statement. The world worried about heightened tensions in the Taiwan Strait, and some observers warned that the PRC might feel compelled to go beyond the military exercises and missile tests that marked a similar crisis in 1995–96. On Taiwan and the mainland, stock markets fell.

Yet, the comments that precipitated all this were less than revolutionary, being either self-evident or murky, and subject to extensive and sometimes tortured interpretations. ROC officials asserted, and PRC denunciations at least implicitly conceded, that Lee's remarks were, at most, modest moves beyond previous formulations. Still, the statement was foreseeably incendiary, for it raised again the politically volatile matter of Taiwan's international legal status.

Lee's new locution, the PRC's rejoinders, and other countries' discomfort marked another step in the decay of a once-viable answer to the "Taiwan question." For over two decades following the establishment of the People's Republic, the issue of Taiwan's status and sovereignty had been handled through a stable combination of deceptively simple lawyering, intricate diplomacy, and odd detachment from political realities. The governments in

[1] "Li Teng-hui, Don't Play with Fire," *Jiefangjun Bao*, July 15, 1999; "Undermining the One China Principle is the Crucial Issue," *Renmin Ribao*, July 14, 1999.

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Taipei and Beijing agreed that there was one China, which included the mainland and Taiwan. Other states accommodated this position. With the 1972 Shanghai Communiqué, which stated that the United States acknowledged "that all Chinese on either side of the Taiwan Strait maintain that there is but one China and that Taiwan is a part of China," the United States formally began the wrenching move from recognition of the ROC toward recognition of the PRC without altering its own—or challenging Beijing's or Taipei's—established position on the unitariness and composition of the state of "China."[2] Before and since, other countries signed on to the same basic position as they moved toward normalization of relations with the PRC. They variously "acknowledged," "took note of," "understood," or expressed "respect for" the position that Taiwan was part of China.[3]

The awkwardness in this arrangement, of course, was that the PRC and ROC disagreed over which of them could legitimately exercise sovereignty over "one China." For the authorities in Taipei, it was a matter of recovering the mainland from the Communist bandits. For the leadership in Beijing, it was a matter of liberating Taiwan and bringing the "renegade province" back under central rule. The ROC had no prospect of achieving its avowed aim. The PRC might hope to attain its goal by force, but only at great cost, even if the United States remained on the sidelines. Accordingly, Mao expressed a willingness to wait for decades, and after the initial Taiwan Strait crises of the 1950s, the PRC confined itself to symbolic shelling of the outermost islands under Taipei's control.

Although neither side could or would do much to pursue its declared end, it was important to both the Kuomintang (KMT) rulers in Taipei and their Communist counterparts in Beijing to claim to be the lawful wielder of sovereign authority over all of China. The assertion was vital to the legitimacy of the Nationalists' authoritarian rule on Taiwan. It explained why martial law and restrictions on civil and political liberties were necessary, why rule by a mainlander minority over a Taiwanese majority was proper, and why no accountability to a Taiwanese electorate was necessary. The claim also was an element (albeit a less essential one) in the Chinese Communist Party's mandate. The party's authority always rested in part on its accomplishment of the nationalist mission of reunifying China during the Japanese war and the Civil War thereafter.

What is more, this mirror-image pair of Chinese claims proved viable in international law and politics. To be sure, the arrangement lacked the

[2] Shanghai Communiqué, *International Legal Materials*, vol. 11 (1972), p. 443. This U.S. acknowledgment has been reiterated in subsequent communiqués, including the Communiqué on the Establishment of Diplomatic Relations Between the U.S. and the PRC, issued in 1979, and the Joint Communiqué on United States Arms Sales to Taiwan, issued in 1982. See, respectively, *International Legal Materials*, vol. 18 (1979), p. 272; and *International Legal Materials*, vol. 21 (1982), p. 1147.

[3] See Tzu-wen Lee, "The International Legal Status of the Republic of China on Taiwan," *UCLA Journal of International Law and Foreign Affairs*, Fall/Winter 1996–97, pp. 351, 357–60.

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preferred neatness of one recognized government's exercising uncontested sovereignty throughout a recognized state with clear boundaries. Still, the "one China" solution permitted all parties to accept a common principle and at the same time postpone divisive questions concerning its implementation—so long, that is, as the PRC would accept the status quo, the ROC would endure diplomatic de-recognition and exclusion from many international organizations, and the international community could interact with the mainland and Taiwan without having to face squarely the question of Taiwan's legal status.

Beginning in the 1980s and accelerating in the 1990s, this modus vivendi came apart, primarily as a result of developments in Taiwan and the PRC. Beijing began to press for relatively near term reunification, articulated a concrete legal framework for the region's reintegration, and fought against any enhanced international status for Taiwan. ROC authorities pulled in the opposite direction, setting conditions for reunification that are unacceptable to the PRC, pushing to expand Taiwan's participation in international relations and organizations, and articulating positions that seem to approach a declaration of independence from the mainland. Foreign governments and international organizations, meanwhile, have struggled to adapt modes of accommodating Beijing and Taipei and to avoid choosing between them.

The alphabet soup of labels used by Taipei, Beijing, foreign states, and international bodies suggests how much the old "one China" solution has eroded. Thus, we see "the Taiwan Special Administrative Region of the PRC" (the proposed name under the "one country, two systems" formula Beijing seeks to implement), the "Republic of China" (the official term in Taipei, used by some states that have full diplomatic relations with the ROC), the "Republic of China on Taiwan" (or "ROCOT," in many ROC officials' statements and draft resolutions for Taiwan's "return" to the United Nations), the "Republic of Taiwan" (in the most radical iteration of the platform of Taiwan's Democratic Progressive Party [DPP]), "China Taiwan" (the International Cotton Advisory Committee and Interpol), "Chinese Taipei" (Asia-Pacific Economic Cooperation [APEC] and the Olympics), "Customs Territory of Taiwan, Penghu, Kinmen, and Matsu" (applications to the General Agreement on Tariffs and Trade, and the World Trade Organization [GATT/WTO]), "Taipei, China" (Asian Development Bank), "Taipei" (in "Taipei Economic and Cultural Offices," the surrogate embassy and quasi consulates in the United States), and "China (Taiwan)" (U.S. official listing of agreements).

As this array of terms suggests, answering anew the "Taiwan question" has involved a lot of arguing about law. To a striking degree, the political struggles over a successor to the former "one China" arrangement of the postwar and Cold War eras have focused on international legal doctrines and norms. The PRC, the ROC, Taiwan's opposition politicians, and the international community all have turned to principles and concepts of international law—especially those that address political issues (such as sover-

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eignty, statehood, and other sources of international status) and those that reflect or incorporate political factors that frame the contemporary Taiwan question (including the PRC's position on sovereignty and reunification, Taiwan's democratic transformation, and the agendas of other international actors).

The PRC's View of Sovereignty and the "One Country, Two Systems" Formula

Now that Hong Kong has become the PRC's first "special administrative region" (SAR) and, as of December 1999, Macau the second, Taiwan stands as the sole remaining element in Beijing's quest to unify China and recover lands lost to colonial incursions. The adoption of reunification as a relatively near term aim has been the biggest factor on the PRC side undermining the old "one China" status quo. For the PRC, this "Taiwan question" has been of a piece with the "Hong Kong question," and a particular conception of sovereignty underlies Beijing's solution. For the PRC, settling the Taiwan question has been a matter of bringing political practice back into line with fixed principles of what it means to be a sovereign at international law. These principles include the Chinese sovereign's plenary and discretionary authority to rule all areas and people that are non-derogably part of an inalterable "China"—an entity that includes Taiwan, Hong Kong, and Macau.

Much of this is explicit in the PRC's pronouncements that Taiwan already is and continuously has been a part of "China"—and, therefore, part of the PRC as the holder of Chinese sovereignty since 1949. The PRC constitution asserts that "Taiwan is part of the sacred territory of the People's Republic of China," the effective reunification of which is "the lofty duty of the entire Chinese people, including our compatriots in Taiwan."[4] The PRC's 1993 White Paper (the most elaborate statement of Beijing's current views) proceeds from the premise that Taiwan "is an inalienable part of China," the singular central government of which is in Beijing.[5] President Jiang's Eight Points of 1995 (the currently definitive statement of the PRC's view) similarly asserts that Taiwan is an "integral part of China" and that "China's sovereignty and territory must never be allowed to suffer a split," implying that no such split has yet occurred.[6] Subsequent official statements sharpened the point.

[4] *Zhonghua renmin gongheguo xianfa* (PRC Constitution) (1982), preamble. The preamble to the 1978 constitution contained broadly similar language, although its tone clearly indicates that it antedated the policy of peaceful reunification: "Taiwan is part of the sacred territory of China. We are determined to liberate Taiwan and accomplish the great cause of unifying our motherland." *Zhonghua renmin gongheguo xianfa* (PRC Constitution) (1978), preamble.

[5] PRC State Council Taiwan Affairs Office and State Council Information Office, *Taiwan wenti yu Zhongguo de tongyi baipishu* (The Taiwan Question and the Reunification of China—White Paper) ([Beijing:] 1993) (hereafter, PRC White Paper).

[6] Jiang Zemin, "Continue to Promote the Reunification of the Motherland," Jan. 30, 1995, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Jan. 31, 1995 (hereafter, Eight Points).

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Premier Li Peng denounced the "fallacy that China's sovereignty is already divided."[7] The PRC's ambassador to the United Nations explained that Taiwan's status as part of the "territory of the PRC" has "never changed" and that "no change in Taiwan's . . . situation can change the fact that Taiwan is an inalienable part of Chinese territory."[8] The official Xinhua News Agency derided Lee's "state-to-state" remarks as "trying in vain to split the motherland."[9] The same perspective underlies Beijing's oft-stated opposition to Taiwan's independent participation in international organizations on the ground that, as a mere province, Taiwan lacks the capacity to do so.

Perhaps the most dramatic example of the PRC's position on sovereignty over Taiwan has been its refusal to renounce the use of force to achieve reunification. Beijing rejects the widely pressed argument that its actions toward Taiwan are constrained by the international legal principle that requires states to refrain from the threat or use of force in their international relations.[10] In Beijing's view, that principle cannot extend to a purely *internal* question such as mainland-Taiwan reunification. From Beijing's perspective, the relevant principles of the law of nations are those which recognize a sovereign state's "authority to use any means it deems necessary, including military ones, to uphold its sovereignty and territorial integrity" and which proscribe other nations' intervention in its internal affairs. The PRC agrees that the Taiwan question should be settled peacefully and that force should be used only against foreign interference that seeks to impede reunification.[11] But that position is only a matter of prudence and policy in Beijing's exercise of Chinese sovereignty.

Beijing rejects international legal constraints on its actions toward Taiwan.

PRC analyses of several international acts that purportedly affected Taiwan's status might seem to indicate flexibility in Beijing's notion of sovereignty, but they ultimately do not change its core position. According to the White Paper's analysis, the 1895 Treaty of Shimonoseki—by

[7] "Premier Li Peng Comments on President Jiang Zemin's 1995 Statement on Taiwan," Jan. 30, 1996, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Feb. 1, 1996.

[8] "Chinese Ambassador Refutes Attempts to Split China," July 23, 1997 (www.china-embassy.org/Cgi-Bin/Press.pl?448).

[9] "He Who Splits the Country is a Sinner Condemned by History," Xinhua News Agency, July 16, 1999, trans. in BBC Summary of World Broadcasts, Asia-Pacific, July 19, 1999.

[10] *Charter of the United Nations*, Treaty Series No. 993 (1945, as amended), art. 2(4). See also *Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations*, U.N. General Assembly Resolution 2625, U.N. Doc. A/5217 (25th Session, 1970). See also Anne Hsiu-An Hsiao, "Is China's Policy to Use Force Against Taiwan a Violation of the Principle of Non-Use of Force under International Law?" *New England Law Review*, Spring 1998, pp. 715–742; Jean-Marie Henckaerts, "Self-Determination in Action for the People of Taiwan," and Lung-lu Chen, "Taiwan, China and the United Nations," in *The International Status of Taiwan in the New World Order*, ed. Jean-Marie Henckaerts (London: Kluwer, 1996), pp. 241–57, 189–206.

[11] PRC White Paper, p. 4; Eight Points, preamble and point 4.

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which the Qing government "under duress" purported to "cede" Taiwan to Japan—became void when China "abrogated" the treaty at the outbreak of war with Japan in 1937. When Japanese forces on Taiwan surrendered to an officer of the Chinese government in October 1945, Taiwan was returned to China. Meanwhile, the Cairo Declaration of December 1943 and the Potsdam Declaration of July 1945 offered welcome endorsements by the allied powers of the principle that the territory "stolen" by Japan would be "restored" to China. When the PRC was established in October 1949, it succeeded to whatever rights to Taiwan the ROC had acquired as the legitimate repository of Chinese sovereignty in 1945—or 1937.[12]

Considered in context, such comments do not clearly concede that China ever "lost" sovereignty over Taiwan. The description of the Treaty of Shimonoseki as imposed under duress puts it in the category of "unequal" treaties that PRC international legal doctrine deems void (or at least voidable). The official account is, at least sometimes, careful to describe the 1945 "restoration" of Taiwan as a matter of its being "put back under the jurisdiction of Chinese sovereignty"—a concept that PRC analyses typically distinguish from sovereignty itself, which is indivisible and inalienable. The White Paper treats the Cairo and Potsdam declarations as evidence of the international community's "acknowledgment that Taiwan belongs to China."[13] Tellingly, it ignores the two postwar treaties which, according to many accounts, are the best candidates for having altered Taiwan's legal status through provisions in which Japan "renounced" its claims to the island. In the words of one extended PRC analysis, "The Japanese militarists did not have sovereignty over Taiwan even though they seized and occupied Taiwan for fifty years."[14]

Elements in PRC analyses that seem to muddy Beijing's claim that Taiwan has "always" been under Chinese sovereignty serve primarily to add a secondary argument that Taiwan is "already" under Chinese sovereignty notwithstanding any interruption that may (or may not) have occurred between 1895 and 1937 or 1945. On either argument, no international legal act is necessary, or possible, to make Taiwan a part of the PRC. It is, and probably always has been, part of China.

This basic position, and its implications, have emerged most fully in Beijing's dealings with Hong Kong. In the PRC's view, any international agreement that claimed to transfer sovereignty over Hong Kong or to restrict China's sovereign discretion in ruling the territory and its people was legally nonsensical and politically unacceptable. The 1984 Sino-British Joint Declaration on the Question of Hong Kong—the document that provides for the

[12] PRC White Paper, pp. 1–2.

[13] Ibid.

[14] Hua Qing, "Taiwan Independence is Legally Impermissible," Xinhua News Agency, Oct. 13, 1995, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Oct. 16, 1995.

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transfer of authority over Hong Kong and sketches the legal arrangements for implementing the post-reversion policies of "one country, two systems" and a "high degree of autonomy"—stakes out this position on the basic international legal question. In it, the PRC government "declares that it has decided to resume the exercise of sovereignty over Hong Kong," effective July 1, 1997.[15] Hong Kong has always been China's (and therefore has been the PRC's since 1949), despite the nineteenth-century treaties purporting to cede sovereignty over Hong Kong Island and Kowloon, and to divide sovereignty temporally over the New Territories (in the form of a ninety-nine-year lease). The Joint Declaration does not, and cannot, retransfer sovereignty over Hong Kong. Indeed, it is not a treaty, but rather, as the PRC's foreign minister put it, a "fairly special technique" that provided an "appropriate form" for the task at hand.[16] Since sovereignty has always resided with China, the PRC has always been free to resume its exercise whenever it judged that "conditions are ripe."

In setting forth the PRC's promises about the territory's post-reversion order, the Joint Declaration states that the PRC government "declares that the basic policies of the [PRC] regarding Hong Kong" include general pledges of continuity, autonomy, and protection of rights. A fuller description of those undertakings is consigned to an annex, which, although declared to be an integral part of the Joint Declaration, is still cast as the PRC's "elaborat[ion]" of its policies, to be implemented through PRC legislation.[17] The view here is that the declarations of "basic policies" are binding not as treaty-like promises to the United Kingdom, but as self-imposed limits of the Chinese sovereign. Because there can be no "quo" of the PRC's "regaining" sovereignty over Hong Kong, there can be no "quid" in the PRC's statements of its plans for post-reversion Hong Kong. The promises cannot impose international obligations because that would "carve up" sovereignty over the territory, much as the illegitimate nineteenth-century treaties had sought to do. Given Beijing's insistence that no international act is necessary for reunification with Taiwan—and, indeed, that Taiwan is incapable of international acts until "peaceful reunification" makes it possible for Taiwan to "share [in] the international dignity enjoyed by China"—Beijing presumably would see any treaty-like pledges concerning Taiwan as having the same international legal character as the Hong Kong Joint Declaration.[18]

Beijing's conception of how it should exercise domestic sovereignty over a post-reversion Taiwan includes implementing the principle of "one country, two systems" and establishing an SAR within the PRC. As developed

[15] See *Sino-British Joint Declaration on the Question of Hong Kong* (Dec. 19, 1984) 1985 Great Britain Treaty Series No. 26 (Cmnd. 9543), art. 1 (hereafter, *Joint Declaration*)

[16] Wu Xueqian, "Report on the Hongkong Accord," in *The Hong Kong Solution* (Beijing: Beijing Review, 1985), p. 59.

[17] *Joint Declaration*, art. 3 and annex I.

[18] Eight Points, point 2.

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in official statements and proposals since early 1979, the PRC's formula for a Taiwan SAR contemplates a high degree of autonomy in political, governmental, fiscal, and legal affairs, continuity in its social and economic systems and way of life, and permission for continued and expanded engagement in economic and other nonpolitical aspects of international relations. The Taiwan version of the formula offers privileges not accorded to other SARs, particularly in allowing Taiwan to administer its own military system and to keep its own armed forces so long as they do not threaten the mainland, pledging not to station troops on the island, and promising extensive autonomy for Taiwan's political system, even though its level of democracy surpasses that which Beijing found excessive in Hong Kong.[19]

These substantive differences aside, Beijing explicitly sees the Hong Kong model as directly applicable to Taiwan. Thus, the PRC's approach to the creation and configuration of the Hong Kong SAR provides the best window on the implications of Beijing's vision of sovereignty at domestic law for answering the Taiwan question. In the PRC view, the establishment of the Hong Kong SAR and the enactment of its Basic Law reflect the exercise by the National People's Congress (NPC) of the authority provided by an article added to the constitution in 1982 that empowers the NPC to create SARs on such terms as it sees fit. The Basic Law spells out the structures, powers, and methods for selecting the membership for the institutions charged with exercising the SAR's "high degree of autonomy," the substance of the pledges of continuity in Hong Kong's systems and citizens' rights, and the mechanisms for amending and interpreting the Basic Law and accepting or overturning Hong Kong laws. Viewed from Beijing, this constitution-like document is only a statute, the basis of its legitimacy not qualitatively different from that of other valid acts of the Chinese sovereign. It is merely a product of the exercise of the plenary legislative powers that the constitution confers on the NPC. Tellingly, PRC officials pointedly rejected Hong Kong references to the draft Basic Law as Hong Kong's future "mini-constitution," a phrase that seemed to suggest that the law might be rejected or altered by Hong Kongers or might be constitutionally binding on PRC lawmakers.

The Basic Law's substantive provisions implement a discretionary, positivist conception of the Chinese sovereign's domestic authority in Hong Kong. The text explains that the NPC authorizes the SAR to exercise a high degree of autonomy in governmental affairs. The same idea of a discretionary grant runs through the Basic Law's articles that create institutions, confer power, and define rights, as well as the provisions governing the reception of prior Hong Kong law and the continuity of the legal system. It is a staple of

[19] See, e.g., Li Jiaquan, "'One Country, Two Systems Concept': Its Formation and Development," *Beijing Review*, Jan. 4–10, 1988, pp. 17–18; PRC White Paper, pp. 3–4; Eight Points, preamble and point 7; Jiang Zemin, "Report to 15th Congress of the Chinese Communist Party," sec. VIII, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Sept. 15, 1997.

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PRC legislative and constitutional theory that such domestic statutes can be altered by subsequent acts of the same status. As long as it meets the formal requirements of enactment by authorized institutions and according to proper procedures, the Chinese sovereign may make laws for any part of China on any subject (including the autonomy and substantive law of subnational units) with whatever content it deems prudent, and may freely revise them. According to this notion of sovereignty, inalterable and enforceable discretion-constraining acts by the sovereign are no more thinkable at domestic law than they are at international law.[20]

Thus, "complete autonomy," as Deng Xiaoping put it, is impossible for a Taiwan SAR.[21] This is so not just because that is Beijing's policy in negotiating reunification, but also because complete autonomy is inconsistent with the Taiwan government's inalterable status as a "local" government possessing only such power as the sovereign chooses to give it.

Taiwan's Pursuit of International Status

The PRC's formula for reunification and the theories of sovereignty that support it have faced stiff resistance on Taiwan. Although some ROC policies and laws have responded—favorably, but grudgingly—to Beijing's calls to reduce barriers to economic and social cross-strait ties, Taiwanese authorities have consistently dismissed the PRC's "one country, two systems" proposal as "objectively . . . infeasible" and "subjectively . . . unacceptable to the people in the ROC" and as constituting the "main obstacle to unification."[22] As President Lee and others insist, "Taiwan is not Hong Kong."

Grasping the PRC's notion of sovereignty at domestic law and taking a wary view of its likely exercise in a Taiwan SAR, Taipei's own White Paper and its responses to the PRC's White Paper argue that the "one country, two systems" arrangement would establish a relationship of "principal and subordinate," in which Taiwan's promised "high degree of autonomy" would be merely something that Beijing might permit temporarily. Such an arrangement could not adequately protect Taiwan's human rights, democratic political order, or capitalist economic system, all of which Beijing would eliminate after some "transitional" period.[23] According to the ROC's Guidelines for

[20] See Jacques deLisle and Kevin P. Lane, "Hong Kong's Endgame and the Rule of Law (I): The Struggle over Institutions and Values in the Transition to Chinese Rule," *University of Pennsylvania Journal of International Economic Law*, Spring 1997, pp. 195–254.

[21] "Deng Xiaoping on Specific Steps for China's Peaceful Reunification," July 29, 1983, trans. in BBC Summary of World Broadcasts, Asia-Pacific, July 29, 1983.

[22] Mainland Affairs Council, Executive Yuan, ROC, *There is No "Taiwan Question"; There is Only a "China Question": Views on the Chinese Communists' White Paper, "The Taiwan Question and Reunification of China"* (Taipei: Mainland Affairs Council, Sept. 16, 1993), pp. 6–7.

[23] Mainland Affairs Council, Executive Yuan, ROC, *Taihai liangan guanxi shouming shu* (Explanation of Relations Across the Taiwan Strait) (Taipei: Mainland Affairs Council, July 1994), sec. III (hereafter, ROC White Paper).

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National Unification, the acceptable path to reunification lies elsewhere—in sweeping democratization, economic development, and establishment of the rule of law on the mainland en route to a one country, one (Taiwan-style) system.[24]

Rejecting Beijing's position on sovereignty over Taiwan at international law, ROCOT has denounced PRC claims that Taiwan is already legally subordinate to Beijing and lacks capacity to act on its own internationally. With the 1991 abandonment of its claim to represent all of China in the international arena, Taipei began to insist that ROCOT and the PRC were "two essentially equal political entities" within a temporarily divided China. Rather than "denying each other's existence," they should "participate on an equal footing" in bilateral and multilateral relations.[25]

By the ROC's account, Lee's 1999 revised characterization of cross-strait relations responded to Beijing's alacrity and success in pushing its views. Adopting the "state-to-state" formulation was needed to underscore that PRC-ROC relations were not the Beijing-described ties "between a legitimate government and a rebellious group or between central and local government." Threatening to drop a "one China" policy and declaring "one China" as a distant aim were necessary because Beijing had managed to coopt the term. With the international community having "become accustomed" to regarding the PRC as "China," the meaning of the phrase "one China" was slipping to "Taiwan is a part of the PRC." The "one China" mantra had come to serve the PRC's ends of "downgrading Taiwan into a province of the mainland" and "suppress[ing] Taiwan's international living space."[26]

In addition to rejecting the PRC's position and proposals, the government in Taipei (with support from its allies abroad and, sometimes, from Taiwanese opposition parties) has taken more affirmative measures during the last decade. These efforts, which have sought to draw or build upon established and emerging international law doctrines and on developments in Taiwan, have coalesced around two strategies for securing and enhancing Taiwan's international status.

Incremental Recognition and Participation. The first strategy has been ad hoc and incrementalist. In keeping with its program of "flexible" or "pragmatic" diplomacy, Taipei has sought and accepted recognition, mem-

[24] National Unification Council and Executive Yuan, ROC, *Guojia Tongyi gangling* (Guidelines for National Unification) ([Taipei:] 1991).

[25] ROC White Paper, sec. III; Guidelines for National Unification; "Taiwan President's Six Points for Cross-Strait Relations," *Lien Ho Pao*, Apr. 9, 1995, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Apr. 10, 1995 (text of address to the National Unification Council) (hereafter, "Six Points").

[26] Text of President Lee Teng-hui's interview with Deutsche Welle Radio, July 9, 1999, reprinted in *Chung-yang Jih-pao*, July 10, 1999; Government Information Office, Executive Yuan, ROC, *Toushi 'yige Zhongguo' wenti* (Looking beneath the surface of the 'one China' question) (Taipei: Government Information Office, Mar. 1997), p. 3; Mainland Affairs Council, Executive Yuan, ROC, *Parity, Peace and Win-Win: The Republic of China's Position on the "Special State-to-State Relationship"* ([Taipei:] Aug. 1, 1999), sec. II.

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bership, and other indicia of international status wherever they have been available and on a variety of terms, often with seemingly little regard for consistency.[27] It has had some success in obtaining recognition from small and relatively poor states that have little contact with the PRC and are eager to receive material assistance as an implicit quid pro quo for diplomatic relations. Beginning in the late 1980s, the ROC also backed away from its demand to be recognized as the sole legitimate government of China in international affairs, and became willing to accept dual recognition from governments seeking ties with both Beijing and Taipei. Beijing, however, has rejected such arrangements and stuck successfully with its insistence upon non-recognition of the ROC as a condition for diplomatic relations with the PRC. While the number of states recognizing the ROC has recovered to around thirty from a nadir of two dozen, the list remains short, includes no major nation, and is subject to erosion via the PRC's efforts to outpressure or outbid the ROC. Facing such limited prospects for full recognition, Taipei appears increasingly to have seen the virtue in arrangements such as the United States' Taiwan Relations Act, which provides something close to recognition and diplomatic relations in all but name.

In recent years ROCOT has entered into scores of international agreements in hopes of strengthening its claim to robust legal status. The agreements have dealt mostly with economic matters—an area in which the ROC's leverage has been high and the risk of offending the PRC low. In the last several years, the ROC has also sought to enhance its standing in the international order by creating instances of the functional equivalent of normal participation. Rebuffed in its efforts to accede to U.N. conventions (because of the United Nations' insistence that Taiwan is not a state and cannot join except as a part of China, which is represented solely by the PRC), Taipei unilaterally pledged to abide by the Montreal Protocol on environmental issues and the principal convention on narcotics trafficking as if it were a party to the accords. In the same vein, it unilaterally undertook to implement Security Council resolutions imposing sanctions against Iraq in 1990 and Yugoslavia in 1992. More conventionally, it has offered disaster relief and development assistance that parallel multilateral and major states' bilateral programs. Accounts of these efforts figure prominently in Taipei's calls for a more state-like international role and status.[28]

Taipei's contemporary quest for international status has included multilateral efforts as well. It has maintained and expanded its participation in international organizations under a variety of arrangements that generally

[27] Vincent C. Siew, *Cross-Strait Relations: Retrospect and Prospects* (Taipei: Mainland Affairs Council, 1997).

[28] See *Substantive Harm Caused to the Republic of China by its Exclusion from the United Nations and International and Regional Organizations* ([Taipei:] Government Information Office, 1997); *The Republic of China on Taiwan and the United Nations: Questions and Answers* (Taipei: Government Information Office, Apr. 1994); *The Republic of China on Taiwan and the United Nations* ([Taipei:] Ministry of Foreign Affairs, Sept. 1995).

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have stopped short of formally accepting the government on Taiwan as the government of a state. The presence of the ROC in some such bodies is attributable to affiliations established before most of the world accepted the PRC as the proper occupant of a "Chinese" seat, but many membership and near-membership arrangements are of more recent vintage. The new arrangements—and, arguably, the continuation of old ones—are the fruit of the ROC's abandoning the claim to be the exclusive representative of China in the international community and accepting parallel participation in international organizations alongside the PRC. This approach has fared best in the rapidly expanding world of international nongovernmental organizations, in which Beijing itself has indicated future independent participation by a Taiwan SAR would be acceptable in many cases.

In primarily or presumptively state-member organizations, success has been more elusive, but still significant. In addition to retaining its former place in a handful of relatively minor intergovernmental organizations, Taipei has focused on participation in a few key bodies, including the Asian Development Bank, an institution that the ROC cofounded in 1966, when the PRC had neither the inclination nor the opportunity to join such organizations. Taiwan's economic might and engagement with the regional economy, along with other bank members' concerns about the PRC's power and ambitions, provided strong reasons for including Taiwan. Other members' support, the PRC's strong desire to join, and the bank's ostensibly economic rather than political mission presumably helped induce Beijing to drop its opposition to an arrangement that effectively "grandfathered" membership for "Taipei, China."

Taiwan has been able to join APEC under comparable terms, using the name "Chinese Taipei." Factors weighing in Taiwan's favor included the evident importance to the organization's purposes of incorporating both the Beijing and Taipei governments, the organization's avowedly economic focus, and perhaps the loose, forum-like structure and relative newness of APEC, which arguably made membership seem less freighted with assumptions of state status. The dollar diplomacy that Taipei used to secure recognition from several small countries also laid the foundation for its membership in a small regional intergovernmental economic body, the Central American Bank for Economic Integration.

Major global organizations have been tougher to crack. Since 1990, Taiwan has sought to join the GATT/WTO. The core institution of the global trading system has good reasons to include one of the world's largest trading economies and holders of foreign exchange. The legal barriers to accession are few and falling, as GATT/WTO rules explicitly contemplate nonstate parties and as reforms in Taiwan have assuaged concerns that its economic laws and policies are insufficiently market oriented and transparent to meet conditions for accession.

Still, issues of Chinese sovereignty and Taiwan's status have gotten in

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the way. Taiwan sought entry under GATT Article 33, which permitted application by a government acting on behalf of a separate customs territory possessing full autonomy in the conduct of its external relations. Thus, the ROC government applied on behalf of the "Customs Territory of Taiwan, Penghu, Kinmen, and Matsu," which clearly enjoys full autonomy in its foreign economic relations. Although ROCOT stopped short of applying as a state or seeking to resume the ROC's former status as an original contracting party (for all of China) prior to its withdrawal from the GATT in 1950, the PRC still denounced the application as "utterly illegal and absurd." Noting that only states have used Article 33, Beijing asserted that Taiwan could enter GATT only under Article 26, which allowed accession of a dependent territory under the sponsorship of a state that was already a party and that had "international responsibility" for the territory. Beijing would tolerate independent GATT/WTO membership for autonomous areas within the PRC, including the Hong Kong SAR and a future Taiwan SAR. However, Beijing could not yet sponsor Taiwan's entry because the PRC had not yet obtained (or resumed) the status of a contracting party. While the WTO agreement more simply permits accession "on terms to be agreed between [a state or separate customs territory] and the WTO," the standoff has persisted.[29] Since the United States continues to block the PRC's entry and the PRC insists that Taiwan's entry may not precede its own, the world trade body has continued to relegate both the PRC and Taiwan to ill-defined "observer" status.

Since 1993 Taiwan also has sought representation in the United Nations. In some respects, this is merely the most ambitious step in its extended campaign to accrete indicia of international legal status. An awkward offer of a billion dollars for U.N. programs, implicitly in return for favorable consideration of Taiwan's request for representation, echoes the dollar diplomacy that the ROC used with several small nations. General Assembly draft resolutions sponsored by several of those states, along with statements by ROC officials, have drawn an analogy between U.N. representation for Taiwan and the simultaneous participation of the PRC and ROCOT in APEC and the WTO. The same sources have pointed to the former membership of the Byelorussian and Ukrainian Soviet Socialist Republics as proving that U.N. membership has not required status as a widely recognized state. The draft resolutions and ROCOT tracts have phrased the substantive issue as one of giving the people of Taiwan or the government of ROCOT (rather than any state) its lawful rights to participate in the United Nations, and cast the procedural issue as one of merely "reconsidering" the part of Resolution 2758 that ousted the ROC and ended U.N. representation for Taiwan. Thus, there would be no membership question and therefore no

[29] "Illegal and Absurd for Taiwan to Join GATT, Says Spokesman," Xinhua News Agency, Jan. 11, 1990; "'Taiwan Has No Right to Join GATT by Itself,' Spokesman," Xinhua News Agency, Oct. 19, 1989; and *Agreement Establishing the World Trade Organization*, art. 12, reprinted in *International Legal Materials*, vol. 33, 1143ff.

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need for the General Assembly to address Taiwan's status as a state or refer the matter to the Security Council, where a PRC veto would be certain.[30]

Taiwan's Assertion of Statehood. Taiwan's pursuit of a place in the United Nations constitutes more than another tactic in an ad hoc and incremental strategy to acquire international standing. Because the United Nations is the principal state-member organization, because acceptance in that body is widely seen as an indicator of statehood in international law, and because Beijing (along with pro-independence politicians in Taiwan) insists that the ROC's return to the United Nations would foster "one China, one Taiwan," Taiwan's bid for U.N. participation has been inseparable from the question of its legal status. Attempts to address that issue have been part of a second strategy for protecting and extending Taiwan's international space and status—one that has implicated established and emergent international legal norms and provoked responses in Taiwan, across the strait, and farther afield. At least since Lee's recent reformulation, and arguably since the early 1990s, Taipei officials have answered the question of Taiwan's general status with the claim that ROCOT is a sovereign state. Whether that assertion is plausible and what it means turn out to be surprisingly complicated questions in international law.

Taipei officials claim that ROCOT is a sovereign state.

As Taipei officials and pro-independence analysts have argued, ROCOT satisfies the three principal substantive criteria of statehood, which are set forth in the Montevideo Convention and generally accepted as customary international law.[31] The first is a defined territory. Taiwan covers 14,000 square miles, and the boundaries of the area controlled by the ROC have been clear and stable for a half-century. The second is a permanent population. Taiwan's population of 22 million people is stable, and immigration and emigration have been modest since the arrival of more than one million mainlanders around 1949. Despite some splits along lines of ethnicity, language, and recency of arrival, the residents of Taiwan have as coherent a group identity as the citizens of most nation-states—and far more than many. The third is effective government over the people and territory. The ROC clearly has provided uninterrupted

[30] See *Why the Republic of China Belongs in the United Nations: Separating Fact and Fiction* ([Taipei:] Government Information Office, 1996); *Why the United Nations Resolution No. 2758 Should be Reexamined Today* ([Taipei:] Ministry of Foreign Affairs, 1996). See also the annual resolutions reprinted in *The International Status of Taiwan in the New World Order*, pp. 193–306, and in the annual *Chinese Yearbook of International Law and Affairs* (Baltimore: Occasional Papers/Reprints Series in Contemporary Asian Studies, 1981–present).

[31] *Montevideo Convention on the Rights and Duties of States*, 165 League of Nations Treaty Series 19 (1933), art. 1. Although the convention technically binds only signatories, its principles are generally accepted as customary international law and in the foreign relations law of most states. See Ian Brownlie, *Principles of Public International Law*, 4th ed. (New York: Oxford University Press, 1990), pp. 72ff. Essentially the same criteria are accepted in U.S. foreign relations law. See *Restatement of the Law Third: Foreign Relations Law of the United States* (St. Paul, Minn.: American Law Institute, 1987), sec. 201 (hereafter, *Restatement of U.S. Foreign Relations Law*).

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and unchallenged governance, maintaining domestic order and answering to no other government for more than half a century—longer than most of today's states have been in existence. The 1946 constitution has remained on the books since it was promulgated on the mainland, although much of it was suspended during over three decades of martial law. Substantial changes have been made only recently. These have occurred in an orderly manner and without producing radical discontinuity. Many of them effectively restored the original constitution or adapted it to the long-established fact that its ambit is limited to Taiwan. The principal legislative, executive, and judicial institutions have undergone only recent and nonrevolutionary changes.

A more problematic element in international legal definitions of statehood is the "capacity to enter into relations" with states.[32] Here, the law is a bit of a mess.[33] On generous readings, this is little or nothing more than the external face of the effective government requirement. It demands that an entity be able to engage in the dealings and ties ordinarily undertaken among states and that it not be subordinate to another government in conducting those relations.[34] ROCOT meets the latter part of the test: its government does not seek permission from—or cede control to—the PRC or anyone else in dealing with the world. When it makes legally binding international commitments, they in practice apply to Taiwan, and Beijing's commitments for "China" do not. Whether Taiwan's external relations sufficiently resemble ordinary relations among states is a closer question. If the test is a functional one, ROC officials and proponents of Taiwan independence can find grounds for a positive answer in Taiwan's membership or near-membership in intergovernmental and international organizations, participation in many international agreements, enjoyment of close substitutes for diplomatic relations with most nations, full diplomatic relations with some states, and the rights and privileges of a state under U.S. law.

Many legal authorities and governments insist, however, that a state must have the capacity to engage in formal relations with states.[35] By that standard, ROCOT's claim to statehood is imperiled by its inability to secure membership in key intergovernmental bodies, or recognition from more than a few countries. The recognition issue is particularly complex. As ROC officials argue, the overwhelming majority of states that recognize the PRC as the legitimate government of the state of China do not accept or approve the

[32] *Montevideo Convention*, art. 1; *Restatement of U.S. Foreign Relations Law*, sec. 201.

[33] The law of statehood is actually less coherent and subject to less consensus than is suggested in this account, which covers only relatively mainstream views and does not discuss the subtle, but important differences among them.

[34] See James Crawford, *The Creation of States in International Law* (New York: Oxford University Press, 1979), pp. 47, 61–68; L. Oppenheim, *Oppenheim's International Law*, 9th ed., ed. Robert Jennings and Arthur Watts (Harlow, Essex: Longman, 1992), vol. 1, pp. 120ff.; Brownlie, *Principles of Public International Law*, pp. 73ff.

[35] See *Restatement of U.S. Foreign Relations Law*, sec. 201.

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PRC's claim that Taiwan is a part of it. They only acknowledge, understand, or take note of Beijing's view.[36] But those states also do not recognize the ROC as the government of China, the vast state with respect to which the ROC cannot meet the first three Montevideo requirements. The few states maintaining relations with the ROC recognize it as the government of an undivided China or avoid the question of what state the recognized government represents. And no one recognizes a separate state consisting of Taiwan, the only entity with respect to which the ROC can satisfy several factors of statehood.

In the most demanding reading of the requirements of statehood, recognition is "constitutive." Thus, lack of recognition is fatal to the claim that ROCOT is a state. The more widely accepted view is that recognition is merely "declaratory." Other states' refusal to recognize ROCOT as a state does not mean it is not one so long as it meets the substantive tests of statehood.[37] Even on this view, however, scarce recognition counts as evidence against a claim to statehood. Moreover, unrecognized states or entities not recognized as representing a state do not enjoy many of the benefits of membership in the international legal order that the ROC's leaders have sought. In practice and, according to some views, in legal principle, such an entity forgoes advantages in matters of trade, diplomacy, and the privileges and immunities that states typically extend to recognized states and their representatives.

Some commentators and advocates for ROCOT statehood or Taiwan independence have asserted that Taipei's extensive de facto relations with states and international organizations establish implied recognition, but this too is a problematic argument.[38] Because recognition has such weighty consequences and often involves taking sides in what the recognized government of a state (in this case, the PRC) sees as its internal affair, recognition is not lightly implied. In some leading accounts, the implicitly recognizing state must intend to extend recognition or must enter into particular types of treaties with the implicitly recognized state—requirements that are beyond the ROC's reach.[39]

Finally, international legal definitions of statehood implicitly include

[36] See, e.g., *Looking Beneath the Surface of the "One China" Question*, p. 4.

[37] Sources supporting the constitutive view include Oppenheim, the European Union (in dealing with post-Soviet states), and Hersh Lauterpacht, *Recognition in International Law* (Cambridge, U.K.: Cambridge University Press, 1948). Sources favoring the declaratory view include the *Montevideo Convention*, art. 3; *Restatement of U.S. Foreign Relations Law*, sec. 202, cmt. b; Brownlie, *Principles of Public International Law*, pp. 88ff; and Michael Akehurst, *A Modern Introduction to International Law*, 6th ed. (London: Routledge, 1970), pp. 66ff.

[38] See Linjun Wu, "Limitations and Prospects of Taiwan's Informal Diplomacy," in *The International Status of Taiwan in the New World Order*, pp. 35–52; Cheri Attix, "Between the Devil and the Deep Blue Sea," *California Western International Law Journal*, Spring 1995, 357–87. The assertion that the U.S. Taiwan Relations Act approaches full recognition of Taiwan in practice, even while explicitly denying formal recognition, is a commonplace commentary on the act.

[39] See *Oppenheim's International Law*, vol. 1, pp. 169ff.; and Lauterpacht, *Recognition in International Law*, pp. 370–71.

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a principle that an entity's governing authorities or leadership must assert that it is a state.[40] While this element is usually so clearly established in cases of disputed statehood that the principle is rarely articulated, the question for Taiwan is complicated. Although they often have argued that ROCOT possesses the Montevideo factors and is a sovereign state, most official statements claiming state-like status have been ambiguous, caveat-laden, or heavily contextualized. In the formulation used for most of the 1990s, ROCOT is one of "two essentially equal political entities" which separately rule parts of a temporarily divided China. "Political entity" is a broad term which can apply to a "state, a government, or a political organ," and its use did not require Taipei and Beijing to untangle the knots of the sovereignty dispute. Although relations between the entities are not "purely domestic," they are between two "areas" within "China," not "between two separate countries."[41]

Lee and other ROC officials went a step further in 1999, declaring that cross-strait relations "were state-to-state or at least special nation-to-nation relations," and chipping away at the former "one China" policy—by raising the possibility of its abandonment and by stressing the incompatibility of Taipei's and Beijing's definitions. But the new formulations retained much of the former approach's distinctive indistinctness. Lee and others insisted that the new label was nothing new and that it described a type of relations that had existed since 1991. Lee's definition of "state-to-state" relations is a vague and limited assertion of something other than "internal ties within 'one China' between a legitimate government and a rebellious group, or between central and local governments."[42] Subsequent official explanations have done little to sharpen the focus. They offer such phrasings as "one nation, two countries," "two states in one nation," "two states in one race," or they concede that the right words have not yet been found. ROC sources have cast the revision of the "one China" policy as a response to Beijing's coopting the term to serve its agenda. "One China" remains a goal to be achieved by unifying two sides that, for now, have "special" relations that are closer than those between other states or even other "divided states."[43]

Some articulations of the "two political entities" formula indicate the possibility of a contextually varying status, suggesting a distinction between the ROC's standing as a full-fledged state in "matters of international relations" and its character as a "part of China" in cross-strait relations.[44] Although some

[40] See *Restatement of U.S. Foreign Relations Law*, sec. 201, cmt. f; Crawford, *The Creation of States in International Law*, p. 151; but compare Lee, "The International Legal Status of the Republic of China on Taiwan," pp. 380–82.

[41] ROC White Paper, sec. III.

[42] Text of President Lee Teng-hui's interview.

[43] See Seth Faison, "Taiwan's New Doctrine Unintelligible," *New York Times*, July 21, 1999; "President's 'State-to-State' Remarks Analyzed Linguistically for Nuance," Central News Agency, July 15, 1999, reprinted in BBC Summary of World Broadcasts, Asia-Pacific, July 15, 1999; *Parity, Peace, and Win-Win*, sec. IV.

[44] See Siew, *Cross-Strait Relations*, p. 8.

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official statements clearly maintain that ROCOT is an "independent, sovereign state," they make that assertion with respect to a Chinese republic that has existed continuously since its founding on the mainland in 1912, that is now only incidentally limited to Taiwan, and that therefore has "no need" to "declare independence again."[45] Such claims of persisting sovereignty with shrunken jurisdiction have some precedence in the law of statehood and can appeal to the vestiges of the international status that the ROC once enjoyed. But, as means for satisfying the "requirement" of asserting state status, they fare poorly because they raise a problem similar to that found with recognition. Taipei best satisfies the "assertion" test with respect to an entity (the original, but diminished ROC) that is not the one which most clearly displays the other elements of statehood (a separate, "new" state of Taiwan). Diverse sources have sought to interpret the "two political entities" and "state-to-state" positions as entailing or implying the requisite claim to separate, sovereign statehood. Most strikingly, the PRC has attacked the former approach as "a covert theory of Taiwan independence," an effort to "create 'two Chinas' or 'one China, one Taiwan,'" and a position "not different in essence from the 'Republic of Taiwan' proposed by the [DPP]."[46] Beijing has excoriated Lee's move to the latter formulation as a step that exposed his "political malice and intention to split [China's] sovereignty" and "to separate Taiwan from China," and that "completely affirmed" Lee's agreement with the DPP's "secessionist" agenda.[47]

DPP sources have offered a parallel analysis. The party's presidential candidate Chen Shui-bian supported Lee's 1999 remarks as an important step to "safeguarding Taiwan's sovereignty" in an "international relationship" between the separate states on either side of the strait. According to some DPP and pro-independence analyses, the ROC's application for membership in the United Nations and its concurrent participation with the PRC in international organizations—in both contexts as the representative only of the Taiwan area—entail an assertion of independent state status for Taiwan.[48]

[45] See Text of President Lee Teng-hui's interview; "Taiwanese President Restates Sovereignty Claim," Agence France-Presse, July 13, 1999.

[46] Hong-jun Zhou, "The Legal Order on Both Sides of the Taiwan Strait and the Current Sino-Vietnam Relation," *American Society of International Law Proceedings*, Mar./Apr. 1993, p. 61; Da Li, "Lee Teng-hui the Person," Xinhua News Agency, Aug. 23, 1995, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Aug. 29, 1995; Hua, "Taiwan Independence is Legally Impermissible."

[47] "Spokesman on Lee Teng-hui's Separatist Malice," Xinhua News Agency, July 11, 1999, reprinted in BBC Summary of World Broadcasts, Asia-Pacific, July 11, 1999; "Undermining the Basis of Cross-Strait Relations Will Absolutely Not Be Allowed—Third Commentary on Lee Teng-hui's Splittist Remarks," Xinhua News Agency, July 18, 1999, trans. in BBC Summary of World Broadcasts, Asia-Pacific, July 20, 1999. See also "Undermining the One China Principle is the Crucial Issue."

[48] "Chen Throws Weight Behind Lee Remark," *China News*, July 16, 1999; Lung-chu Chen, "Taiwan, China and the United Nations." See generally Parris Chang and Kok-Ui Lim, "Taiwan's Case for United Nations Membership," *UCLA Journal of International Law and Foreign Affairs*, Fall/Winter 1996–97, pp. 393–430.

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On the other hand, DPP assessments have recognized (consistent with the DPP's electoral interests) that the KMT-led government has stopped short of a conventional claim to separate, sovereign statehood. While the DPP has sometimes embraced an uncompromisingly pro-independence position (most notably in a short-lived draft constitution for a Republic of Taiwan), it has never been in a position to make its views the official position. Moreover, the DPP in recent years has moved toward a more ambiguous stance of calling for a referendum on Taiwan's status. As some commentators and statehood proponents have argued, both the official position and opposition platforms may underrepresent a "true" popular preference for declaring full statehood, for reasons that may include the legacy of a ban on advocating independence, which lasted into the first years of democratization; the opposition's trimming to the views of voters fearful of PRC reactions; and the advantages that the ruling KMT has derived from machine and money politics, incumbency, and the structure of electoral districts. Such hidden or inchoate preferences for independence, if indeed they exist, cannot provide the clear claims to independent status that international law and other states appear to require.

The "Divided State" Argument. Faced with such difficulties in crafting a legally persuasive and politically viable claim that ROCOT is an ordinary state, Taipei authorities have turned to arguments that implicate less conventional or firmly established aspects of international law. One approach looks to the law of "divided states" that emerged during the Cold War. The international order managed to accommodate two Germanys and two Koreas, despite disputes over sovereignty and less than universal recognition of each part. In both cases, dual recognition became common and both parts entered the United Nations. This parallel has not been lost on analysts of the Chinese puzzle.[49] The ROC and sponsors of the resolutions on U.N. representation for Taiwan have emphasized that the United Nations admitted both Germanys and both Koreas without members' having to reach a clear resolution of their status as sovereign states, and without either side's abandoning the goal of reunification. The pro-ROC position holds that the Chinese case is similar and indeed easier because Taiwan's representation does not raise the sovereignty-tinged question of a new membership.[50]

ROCOT's "divided state" arguments extend beyond the U.N. campaign. They invoke both Germanys' and both Koreas' general capacities to engage in international relations as a model for according Taiwan more

[49] See Hungdah Chiu, "The International Law of Recognition and Multi-System Nations," in *Chinese Yearbook of International Law and Affairs*, vol. 1 (1981), pp. 1–13; Michael E. Mangelson, "Taiwan Re-Recognized: A Model for Taiwan's Future Global Status," *Brigham Young University Law Review*, 1992, pp. 248–50; Ross H. Munro, "Giving Taipei a Place at the Table," *Foreign Affairs*, Nov./Dec. 1994, pp. 116–19; Michael C. Davis, "The Concept of Statehood and the Status of Taiwan," *Journal of Chinese Law*, Spring 1990, pp. 135, 144–45.

[50] See *Explanatory Memorandum for a General Assembly Draft Resolution Reviewing Resolution 2758*, United Nations General Assembly, 53rd Session, U.N. Doc. No. A/53/145 (July 8, 1998).

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state-like international status. They point to Yugoslavia as an example of what can happen if the international system fails to adopt appropriate arrangements. Taipei's attempts to define the nature of cross-strait relations are redolent of Bonn's tortured descriptions of ties with the former East Germany. Official explanations of Lee's July 1999 remarks (made, tellingly, in an interview with German radio) assert that postwar German relations had a "special state-to-state" character similar to current cross-strait relations. ROC analyses also argue that the end of the Cold War, which removed ideological obstacles to German and Korean relations, should have a similar effect on mainland-Taiwan ties.[51]

Differences from the prototypical cases make a conventional divided-state argument infeasible for Taiwan, however, at least for now. In the German and Korean contexts, the two "halves" were not wildly unequal in territory, population, or international standing. Cold War politics had created a world in which each "part" enjoyed recognition or acceptance by many states and the patronage of a superpower. The central role of multilateral treaties in German and Korean partition made it more plausible to see unification as a proper concern of foreign states and international law. The governments of the larger parts had good reasons to drop their opposition to a divided-state solution, since doing so offered enhanced international status and better prospects for reunification on relatively attractive terms.

None of these factors is present in the Chinese case. The PRC enjoys huge advantages of size, status, and influence. Beijing expresses outrage at the suggestion that cross-strait issues are a legitimate international concern. It insists that the postwar accords governing Korea and Germany fatally undermine any analogy to the purely domestic "Taiwan question," which is a matter left over from a civil war. The PRC's enjoyment of near-universal recognition, its occupation of the Chinese seat in international organizations, and other states' reluctance to anger a major power give Beijing few incentives to soften its strident rejection of a divided-state formula.[52]

Divided-state doctrine has had only limited appeal on Taiwan. Outside the U.N. context, Taipei's embrace of the idea is recent and remains secondary to less-encumbered assertions of sovereign status. The tepid response is understandable. The German-Korean model has unappealing features for a Taipei regime that seeks unity only under conditions of democracy on the mainland. International law seems strikingly indifferent to questions of the internal order of divided states that have reunited voluntarily. The German and prospective Korean pattern could be explained as unification on the

[51] ROC White Paper, secs. III–IV; *Looking Beneath the Surface of the "One China" Question*, p. 6; "Taiwan Seeks to Defuse China Row," Agence France-Presse, July 14, 1999.

[52] See PRC White Paper, p. 4; "Researcher Says German Model Not Suitable for Taiwan Reunification," Xinhua News Agency, Dec. 17, 1998, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Dec. 17, 1998; "He Who Splits the Country Is a Sinner Condemned by History."

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basis of liberal, democratic, market-oriented systems, but the cases could also be seen as showing international acceptance of reunification under the larger part's preexisting order. At minimum, the German experience has underscored for many in Taiwan the huge costs of effecting the other system's transformation. Finally, the "divided state" paradigm has at most tactical appeal for supporters of independence. Some DPP and other commentators have rejected the model or interpret it as showing the importance of Taiwan's achieving status as a recognized equal state.[53]

Self-Determination. With even "divided statehood" beyond reach, the ROC government—and Taiwanese opposition groups—have sought to ground Taiwan's claims to robust international status in arguments that connect with the international norm of the self-determination of peoples. Reflecting Wilsonian ideals, and incorporated in a few brief and general passages in the U.N. Charter, the principle took shape during the 1960s and 1970s and was enshrined in the U.N. human rights covenants, customary international law and U.N. resolutions focused primarily on decolonization before being revived and revised in response to the crumbling of the Soviet bloc. In general form, the principle holds that some distinctive and coherent communities enjoy a right to some degree of self-government, which can include a right to their own state—regardless, in some accounts, of their failure to meet all the conventional desiderata of statehood. Where the doctrine applies, international law takes cognizance of issues that otherwise are within a state's domestic jurisdiction, including the use of force to deny autonomy to a group of people within its borders.[54]

The constitutional reforms that ROC leaders launched in the early 1990s implicitly appealed to self-determination norms. Lee Teng-hui characterized the major amendments, which limited the ROC's current jurisdiction to Taiwan and provided for democratic election of the president, vice president, and members of the chief representative bodies by a Taiwan electorate, as moves to ensure that state organs "only represent the Taiwan people" and that legitimate state power "can only be authorized by the Taiwan people and

[53] See Lung-chu Chen, "Taiwan's Current International Status," *New England Law Review*, Spring 1998, pp. 675–83; Chang and Lim, "Taiwan's Case for United Nations Membership," pp. 424–29; "Request for the Inclusion of a Supplementary Item in the Agenda of the 48th Session, Consideration of the Exceptional Situation of the ROC in Taiwan in the International Context," reprinted in *Chinese Yearbook of International Law*, 1991, pp. 261–62.

[54] The U.N. Charter refers to "respect for the principle of equal rights and self-determination of peoples" as among the United Nations' purposes and objectives. See *Charter of the United Nations*, arts. 1(2), 55, and chaps. XI–XIII. Article 1 of both the International Covenant on Civil and Political Rights (*U.N. Treaty Series*, no. 999, 171 [1966]) and the International Covenant on Economic, Social and Cultural Rights (*U.N. Treaty Series*, no. 993, 3 [1966]) provide: "All peoples have the right of self-determination. By virtue of that right, they freely determine their political status and freely pursue their economic, social and cultural development." The Declaration on the Granting of Independence to Colonial Countries and Peoples (U.N. General Assembly Resolution 1514, U.N. Doc. No. A/4684 [15th Session, 1960]) proclaims a right to self-determination, at least in the limited context covered by the resolution. See generally Hurst Hannum, *Autonomy, Sovereignty and Self-Determination*, rev. ed. (Philadelphia: University of Pennsylvania Press, 1990); Lung-chu Chen, "Self-Determination and World Public Order," *Notre Dame Law Review*, vol. 66 (1991), pp. 1287–1310; and Brownlie, *Principles of International Law*, p. 598.

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has absolutely nothing to do with the people of mainland China." DPP sources have embraced the principle of self-determination more fully, explicitly asserting that it applies to Taiwan and that decisions about Taiwan's future status can be made only by the people of Taiwan through such devices as a plebiscite.[55]

But the answers that the law of self-determination offers to the Taiwan question are problematic. Whether the residents of Taiwan are a "people" is a debatable legal question and a volatile issue in Taiwanese and cross-strait politics. On the one hand, they may not be sufficiently distinct from the people of the mainland. Ethnic, linguistic, cultural, and familial bonds are strong, personal ties have grown with the relaxed travel policies of the last dozen years, and the ROC itself has for decades cultivated identification with a broader China. Polls indicate that many people on Taiwan see themselves as "Chinese," among other identities, and Beijing is adamant that the residents on both sides of the strait are one people. On the other hand, perhaps the best candidate for a "people" on Taiwan is a group that includes only the 85 percent of the population who are "native" ethnic Chinese, but not the once-dominant minority of mainlanders who came to the island with Chiang Kai-shek's retreating forces or their descendants.[56] Seeking self-determination for that group would exacerbate a dangerous fault line in Taiwanese society (one that became the principal line of cleavage in partisan politics during the 1980s and 1990s), and also would run afoul of international legal notions that the self-determining people should be geographically separate from other groups.

The notion of a "people" of Taiwan has become more legally plausible and politically acceptable in recent years. Although the trend is not undisputed or irreversible, social changes and generational succession have blurred the lines among groups on Taiwan and made them all feel more separate from the mainland. Lee Teng-hui—the Taiwanese leader of a "Taiwanized" ruling party—and other official sources have spoken of the emergence of a distinct "*Gemeinschaft* or community" and of the "New Taiwanese," both encompassing the full group of Taiwan residents.[57] Although marred by undercurrents that suggest exclusion of the mainlander minority, the DPP and pro-independence groups have preceded and exceeded the KMT's moves, stressing the separate, shared experience and identity of the people on Taiwan.

[55] Text of President Lee Teng-hui's Interview; Chang and Lim, "Taiwan's Case for United Nations Membership"; "Taiwan's Opposition Party Nominates Chen," Agence France-Presse, July 10, 1999.

[56] On these and other cleavages in contemporary Taiwanese society, see Thomas B. Gold, "Taiwan Society at the Fin de Siécle," *China Quarterly*, Dec. 1996, pp. 1091–1114; and Tu Weiming, "Cultural Identity and the Politics of Recognition in Contemporary Taiwan," *China Quarterly*, Dec. 1996, pp. 1115–1140.

[57] "'A New Phase of the Taiwan Experience is Underway'—Full Text of an Address by ROC President Lee Teng-hui to the Closing Session of the Third Business Operators' Forum" (1996) (www.taipei.org/current/lee0914.htm); ROC White Paper, sec. IV.

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If Taiwan residents are a "people," the consequences of that legal conclusion are uncertain. The right of a people to their own state is not well established in international law beyond the context of decolonization, and the principle of self-determination coexists with the international order's more robust doctrines of state sovereignty and territorial integrity. This legal ambivalence supports, and surely reflects, most states' view that the consent of the state being seceded from is a preferred or necessary condition for recognizing a seceding people's new state. Beijing, of course, maintains that self-determination for Taiwan is out of the question.[58]

Nor would recognizing a right to self-determination for Taiwan do much to resolve its legal status. International legal principles permit an arrangement as modest as limited autonomy for Taiwan within an unchanged PRC. That option is much less than the ROC and opposition groups in Taiwan have sought. For the PRC, such an SAR-like endpoint is palatable, but the legal requirement that it be consistent with the will of the people of Taiwan challenges the PRC's premise that the Taiwan question is an internal matter to be resolved solely by the Chinese sovereign. While international legal doctrines also contemplate much more robust forms of autonomy, including fully separate statehood, the appropriate choice among such arrangements depends on the will of the self-determining "people." And discerning the preferences of the Taiwanese on this question is tricky. The democratically elected government has favored some form of functional independence, but its specific positions have changed over time, and have been obscure on important legal issues of formal status. Opposition politicians and Beijing have denounced official policies for failing to represent the people's will. Public opinion polls consistently show support for something between reunification on Beijing's terms and a formal declaration of independence under current circumstances. But support for any particular arrangement has proved sensitive to changes in the phrasing of questions and to momentary shifts in domestic politics and cross-strait relations. Charges by critics on Taiwan and the mainland to the effect that ROC officials have manipulated public opinion have added to the controversy. The increasingly preferred method under international law for determining a people's position—a plebiscite—has been rejected by the KMT government and is vehemently opposed by the PRC, but absent such balloting, arguments that implicate the law of self-determination will provide little resolution to the struggle over Taiwan's international status.

Democracy and Human Rights Norms. A final set of arguments for enhancing and securing Taiwan's international status has tapped into an emergent democracy norm and, to a lesser extent, better-established human rights norms in international law. These norms flow from such disparate

[58] PRC White Paper, p. 4; Eight Points.

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sources as the United Nations' foundational (if hortatory) enumeration of citizens' rights to elect and participate in their governments and to be free from state derogations of other rights; customary international law's growing attention to the "internal dimension" of self-determination and human rights; European states' emphasis on democracy and constitutionalism as factors in recognizing new post-Soviet states; and many states' adoption of laws and policies that link foreign aid or other benefits to recipients' records on human rights, democracy, and the rule of law.[59]

Although claims that a "democratic entitlement" has become a principle of international law or that international human rights obligations trump deference to state sovereignty are premature at best, the current international legal and political environment has weakened the Westphalian tradition of regarding sovereign states as inviolate. Thus, an entity's claim to statehood or relatively high nonstate status is enhanced if its internal order is democratic and protects human rights, while established states that fare poorly on these indices can lose benefits and privileges ordinarily accorded to states. The ROC's political transformation in the last dozen years provides ample basis for arguments that appeal to these norms of domestic order. In 1987 martial law was lifted, restrictions on civil liberties were removed, harsh persecution of political dissidents ended, and legal proscriptions on personal and commercial ties to the mainland and advocating independence were relaxed substantially. An opposition party, the DPP, was allowed to operate legally, and other opposition parties and independent candidacies followed. In the wake of legal and constitutional reforms, democratic contests (initially to replace the bodies elected on the mainland before the ROC's flight to Taiwan) took place for the National Assembly in 1991 and 1996, and for the Legislative Yuan in 1992, 1995, and 1998. The first direct elections for president and vice president occurred in 1996, and the second campaign is now under way. Constitutional and political changes have produced a more powerful legislature and a more even balance between the political branches. Opposition party and independent candidates' successes in national and local elections have eroded the KMT's monopoly, accelerated changes inside the KMT, and arguably produced a genuine two- or multi-party system.

ROC officials cite this record in their quest to bolster Taiwan's international status. They have emphasized Taiwan's status as the first Chinese democracy and its place at the forefront of a global tide of democratization and human rights. They argue that, with the ROC clearly in step with the values shared and demanded by all "civilized" countries, it surely would be

[59] Hurst Hannum, "Rethinking Self-Determination," *University of Virginia Journal of International Law*, Fall 1993, pp. 1–69; Henry J. Steiner, "Political Participation as a Human Right," *Harvard Human Rights Yearbook*, vol. 1 (1988), p. 77; Thomas Franck, "The Emerging Right to Democratic Governance," *American Journal of International Law*, Jan. 1991, pp. 46–91; *Guidelines on the Recognition of New States in Eastern Europe and in the Soviet Union*, reprinted in A. V. Lowe and Colin Warbrick, "Recognition of States," *International and Comparative Law Quarterly*, 1992, p. 477.

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allowed to "assume a more important role" internationally.[60] They also invoke contrasts between Taiwan and the PRC, insisting that Taiwan would embrace reunification if the PRC abandoned communism and achieved the democracy, human rights, and rule of law that residents on Taiwan enjoy and international legal norms increasingly demand. In an argument that has resonated in Washington, ROC official sources add that it would be a deep betrayal of democratic norms if the world were to countenance Taiwan's reunification on Beijing's terms.[61]

Claims that Taiwan's record on rights and democracy has direct legal significance are most explicit in the context of its pursuit of U.N. representation. Official sources maintain that Taiwan's continued exclusion shows an inexcusable failure by other states to recognize the value of Taiwan's democratic achievements and its implementation of U.N. human rights standards.[62] ROC leaders also have tried to play the democracy card in a two-level game, citing the constraints that a democratically accountable regime faces in acting internationally. Specifically, ROC officials have stressed their political need and constitutional duty to abide by the electorate's support for U.N. representation and its views in favor of the status quo in cross-strait relations. They have also suggested that continued pressure from Beijing only risks turning public opinion, and hence Taipei's government, in favor of formal independence.[63]

Taiwan's constitutional transformation also has made the island republic look much more like a conventional democratic state. The enfranchisement of a Taiwanese electorate, the formal restructuring of national government institutions as democratic organs limited to Taiwan, and the evisceration of the Taiwan provincial government bodies have produced a neater alignment between the people governed by the ROC and the people whose democratic mandate the government claims as its source of authority. Although this generally has helped the government in its quest to tap international legal norms to enhance Taiwan's international status and acceptance, it has been a mixed blessing at home. The DPP and similarly minded sources have pointed to the same developments and to the nascent view that international law may see a democratic order as an element of statehood in

[60] "Seeking Peaceful Reunification is the Final Goal of Our Diplomatic Affairs," *Chung-yang Jih-pao*, Aug. 20, 1996, p. 2, trans. in BBC Summary of World Broadcasts, Asia-Pacific, Aug. 24, 1996 (text of Lee Teng-hui speech to conference of representatives of overseas missions); ROC White Paper, sec. III; Siew, *Cross-Strait Relations: Retrospect and Prospects*, p. 19.

[61] *There is No "Taiwan Question,"* pp. 3–8; ROC White Paper, secs. II–III.

[62] *The Republic of China on Taiwan and the United Nations; Why the UN Resolution No. 2758 Should Be Reexamined Today*; "Let the Cry for Justice Reach Far and Wide," remarks of Premier Lien Chan, reprinted in *There is No "Taiwan Question,"* appendix 1.

[63] *The Republic of China on Taiwan and the United Nations: Questions and Answers*, p. 3; ROC White Paper, sec. IV; ROC Mainland Affairs Council, *Cross-Strait Relations, a "Special State-to-State Relationship,"* July 12, 1999.

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order to argue that Taiwan is a separate state, or would be once the people vote for that outcome.

As on other fronts, Beijing has rejected the arguments from Taiwan about democracy and rights, and tried to deter those who would press such arguments against reunification or for independence. PRC statements have mocked Lee's "prating endlessly about democracy," denounced his "separatist" program as ignoring the wishes of Taiwan residents, and declared that no changes in Taiwan's political situation can change the "fact" that it is a province of China.[64]

The Imperiled Virtue of Ambiguity

In the tug-of-war over Taiwan's international legal status that has accompanied and accelerated the unraveling of the former "one China" formula, participants have pulled toward results ranging from an independent nation-state separate from (the rest of) China to an ordinary Chinese province soon to be reintegrated. Beijing's strong opposition to Taiwanese statehood, other states' and international organizations' resulting reluctance to recognize the ROC or accord it state-like status in international life, and the ROC government's complex statements about statehood have made the first option politically untenable and legally questionable. But Beijing's acquiescence in Taiwan's separate existence, plausible interpretations of the "one country, two systems" formula, Taiwan's enjoyment of significant international status and participation, its satisfaction of several legal indicia of statehood, and official ROC claims to state or state-like status have rendered the second option equally implausible.

International law provides no ready solution to the Taiwan question.

While international legal doctrines and concepts have supported arguments to push Taiwan's status toward either end of the spectrum, international law provides no ready solution to the Taiwan question. Doctrines that might produce clear answers (such as those concerning statehood) fail in this context, either because they were crafted to deal with very different cases or because they recognize and incorporate political factors that are a source of confusion in a context in which key parties' positions are both mutually conflicting and individually enigmatic. Other legal norms (such as those dealing with self-determination or democracy) face fewer such problems and arguably point more uniformly toward high international standing for Taiwan, but they fail to produce a single, legally accepted answer to the question of Taiwan's status.

[64] "He Who Splits the Country is a Sinner Condemned by History"; "Chinese Ambassador Refutes Attempts to Split China."

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A hazy, shifting, and fragmented status for Taiwan has thus replaced the clear and stable (but strange) "one China" formulation that Beijing, Taipei, and the world once shared. This legal and political nonsolution may replicate some of the old order's virtues of preserving stability and serving all sides' immediate needs. Through vague or context-specific conclusions about Taiwan's status, the international community has been able to avoid a choice between turning its back on a major trading economy and rapidly consolidating democracy, and provoking a rising power with a rapidly growing and increasingly open economy.[65] The government in Taipei has managed to achieve piecemeal accommodation and relatively robust status in the international order and to respond to democratic pressure and coopt DPP issues and voters at home without crossing the Rubicon toward Taiwan independence. And Beijing has found it possible simultaneously to insist on the principle of unitary sovereignty, tolerate Taiwan's substantial participation in international life, conduct interstate-like negotiations with Taipei, and limit itself to rhetorical denunciations of ROC moves to recharacterize Taiwan's status.

The problem is that this salutary ambiguity is under siege. On one side, several factors push the ROC government closer to an unequivocal embrace of the full-fledged statehood solution. Taipei has exhausted, and under PRC pressure faced the possible erosion of, the gains to be reaped from its piecemeal strategy for seeking international status. Changes in Taiwan's domestic order and emerging international legal norms have made a claim of Taiwanese statehood look more plausible, but still controversial. Electoral competition with the DPP and pressures from a citizenry that wants international standing and has significant pro-independence leanings have become facts of political life for the KMT. The PRC's growing global and cross-strait leverage, the rise of a mainland-investing business lobby in Taiwan, Beijing's ratcheting up of its drive to squeeze Taiwan internationally, and the bleak prospects for the KMT candidate in the three-way race for the presidency in 2000 have created a sense of dwindling opportunity—and growing need—to do what Lee did in his "state-to-state" pronouncement, and perhaps more.

On the other side, several developments increase pressure for implementing Beijing's conception of unitary sovereignty. The PRC's great and rising importance as a trading partner and a destination for foreign investment and its drive for military prowess enhance Beijing's ability to pressure Taipei and induce other states to sit on the sidelines. The relative smoothness (so far) of Hong Kong's reversion, the purported generosity of the proposed arrange-

[65] Examples from international organizations are suggested by the array of labels for Taiwan's representation and membership set forth in the first section of this article. For judicial decisions, which include descriptions of governments' positions, see, e.g., *Ku Chia Chun & Ors. v. Ting Lei Miao & Ors.*, 1998-3 HKC 119 (HKSAR Ct. App. 1998); *Millen Industries v. Coordination Council for North American Affairs*, 855 F.2d 879 (D.C. Cir. 1988); *Mingtai Fire & Marine Insurance Co. v. UPS*, 177 F.3d 1142 (9th Cir. 1999); *Atlantic Mutual Insurance Co. v. Northwest Airlines*, 796 F. Supp. 1188 (E.D. Wis. 1992), affirmed on other grounds 24 F.3d 958 (7th Cir. 1994).

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ments for Taiwan's reversion, and the continued progress of reform in the PRC enable Beijing credibly to portray itself as pursuing a reasonable cross-strait agenda. At the same time, PRC leaders seem to see a growing imperative to counter the ROC's use of skilled diplomacy, money, and appeals to the international community's economic interests and moral-political norms.

These developments threaten to cut short the life of the ambiguous nonsolution and to dash the hope it seemed to offer of buying time for a gradual transition to some durable solution, be it an independent Taiwan acceptable to a reformed PRC, a loose confederation between Taiwan and a liberalized mainland, or some new legal and conceptual framework that gives clarity, stability, and security to an arrangement that approximates the status quo. If that happens, then Taipei, Beijing, and the rest of the world will find it much more difficult—and dangerous—to solve this intricate Chinese puzzle.

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Lessons from the Taiwan Relations Act

by Jaw-ling Joanne Chang

Twenty years ago the United States severed its diplomatic relations with the Republic of China (ROC).[1] The Taiwan Relations Act (TRA) was then enacted in 1979 to preserve and promote commercial, cultural, and other relations between the United States and Taiwan, and has been instrumental in maintaining peace, security, and stability in the Taiwan Strait.

Joseph S. Nye, Jr., former assistant secretary for international security affairs in the U.S. Department of Defense, observed that the rise and fall of great powers has historically been accompanied by severe instability in international state systems.[2] The power structure in East Asia today is marked by just such a rise and fall of great powers. The Soviet Union has collapsed, North Korea is dangerously volatile, Japan's role is evolving, and China's power is rapidly rising. Moreover, the Taiwan Strait crises of 1995–96 demonstrate that peace and stability in the region can no longer be taken for granted. According to a Pentagon report, the People's Republic of China (PRC) now has 150–200 ballistic missiles aimed at Taiwan, and the island has a dangerously limited capacity to defend against missile attacks and threats.[3]

On July 9, 1999, President Lee Teng-hui told a German radio interviewer that the cross-strait relationship is a "special state-to-state relationship," in sharp contrast to Beijing's long-standing position that Taiwan is a renegade province of China and its government merely a local one. Since July 9, the PRC has mounted a publicity barrage against President Lee and used the Hong Kong media to conduct psychological warfare against Taiwan. PRC fighter planes flew more than a hundred sorties over the Taiwan Strait in the month after President Lee's remarks, on two occasions in July crossing the

[1] An earlier version of this article was presented at an international conference sponsored by the Institute of European and American Studies, Academia Sinica, Apr. 9–10, 1999.

[2] Joseph S. Nye, Jr., "The Case for Deep Engagement," *Foreign Affairs*, July/Aug. 1995, p. 91.

[3] Representative Peter Deutsch speaking in support of H. Con. Res. 22, *Congressional Record*, vol. 145, no. 37 (Mar. 9, 1999), p. E371; John Pomfret, "Chinese Missiles Menace Taiwan," *Washington Post*, Feb. 11, 1999.

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"center line" of the 100-mile-wide strait, which was formerly respected by both sides as the limit of their military activities.[4]

The Taiwan Relations Act makes clear that any threat to Taiwan would be considered a threat to the security of the entire western Pacific, and therefore a clear matter of U.S. concern. The act also provides explicit language to the effect that the United States will make available defense articles and services in such quantities as may be necessary for Taiwan to maintain a sufficient self-defense capability. Clearly the time has come to evaluate Taiwan's self-defense needs.

Assessment of the Taiwan Relations Act

The TRA provided a legal framework for the continuation of relations between the United States and Taiwan, and has stood the test of time. Trade between the two countries has grown spectacularly over the last twenty years, from $9.2 billion in 1979 to $51.2 billion by 1998.[5] Taiwan is now America's seventh-largest trading partner. In 1998 Taiwan imported $18.15 billion in American goods and services; the PRC, by contrast, only imported $14.25 billion.[6] Cultural relations between the United States and Taiwan have also deepened significantly. In 1997 people from Taiwan made more than 588,000 trips to the United States, and more than 30,000 students from Taiwan are currently studying there. Scientific, technological, and cultural exchanges have also been frequent, and some 117 bilateral treaties, agreements, and memoranda of understanding promote and regulate intercourse between Taiwan and the United States.[7]

To be sure, the ROC government was criticized at the time of the TRA's passage for its ban on new political parties, imposition of martial law, and limited censorship. However, Taiwan's record on human rights has improved rapidly since the mid-1980s. Martial law was lifted in July 1987, the ban on travel by residents of Taiwan to mainland China in November 1987, and restrictions on publishing newspapers and founding political parties in 1988 and 1989, respectively. The ROC became a fully democratic country with its first direct presidential election in 1996, and today enjoys a free press, free elections, stable democratic institutions, and guarantees of human rights. As a result, Taiwan has gained even more support and respect in the United States.

[4] Michael Laris, "Taiwan Shrugs Off Threat," *Washington Post*, Aug. 11, 1999; Christopher Bodeen, "Taiwan Confirms Chinese Jets Violated Its Airspace," *Washington Times*, Aug. 11, 1999.

[5] *United States Department of Commerce News* (Washington, D.C.: Department of Commerce, Feb. 19, 1999), p. 19. All figures are in U.S. dollars.

[6] Ibid.

[7] Chen Chien-jen, "US Should Adjust Policy to Reflect New Realities," *The Free China Journal*, Oct. 9, 1998, p. 7.

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The main purpose of the TRA is to help maintain peace, security, and stability in the western Pacific. Section 2(b)(4) of the TRA considers "any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States." The act further asserts that it is U.S. policy to maintain the capability "to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan."[8] Finally, American arms sales to Taiwan have bolstered Taiwan's confidence in its dealings with the PRC. Just seven months after President George Bush decided to sell 150 F-16 aircraft to Taiwan in September 1992, the PRC's Wang Daohan, chairman of the Association for Relations across the Taiwan Straits (ARATS), agreed for the first time to meet Dr. Koo Chen-fu, chairman of the Taipei-based Straits Exchange Foundation (SEF), in Singapore. U.S. arms sales have contributed to maintaining peace and stability in the Taiwan Strait and to creating an atmosphere conducive to the improvement of cross-strait relations.[9]

The U.S. Retreat from the TRA Framework

Its past successes notwithstanding, the TRA framework is perhaps less sturdy today than in 1979 because, to put it bluntly, the United States has lived up to neither the letter nor the spirit of the act. Notable among the failures to implement the TRA have been: (1) the August 17, 1982, Sino-American communiqué; (2) the 1994 policy review to ban visits to the United States by Taiwan's top leadership; and (3) the recent "three no's" pledge made by President Clinton to his hosts in Beijing. Each setback merits brief analysis.

(1) The August 17, 1982, Communiqué. Section 3(a) of the TRA sets forth the provisions for implementing arms transfers by stating that the United States "will make available to Taiwan such defense articles and defense services in such quantity as may be *necessary* to enable Taiwan to maintain *sufficient* self-defense capability" (italics added). The vagueness of the italicized words prompts the question of who decides what arms are necessary or sufficient for Taiwan's security. Section 3(b) appears to supply the answer, as follows:

> The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with the procedures established by law. Such determination

[8] The Taiwan Relations Act, Apr. 10, 1979, Public Law 96-8, 222 U.S. Code, secs. 3301–3316, reprinted in *International Legal Materials*, vol. 18 (1979), pp. 873–77.

[9] William Cohen, *The United States Security Strategy for the East Asia–Pacific Region* (Washington, D.C.: Department of Defense, Nov. 1998), p. 35.

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> of Taiwan's defense needs shall include review by United States' military authorities in connection with recommendations to the President and the Congress.

Thus, the TRA appears unambiguous: sole responsibility for determining Taiwan's security needs rests with the U.S. military, the president, and the Congress without any regard to the sensibilities of PRC authorities. What is more, the Carter administration insisted on continuing arms sales to Taiwan after the U.S.-PRC normalization in 1979 for three reasons. First, arms sales to Taipei would give Taiwan more confidence in its defense capability against the PRC. Thus, Taiwan would not need to panic or seek radical solutions such as the nuclear option which would be contrary to American interests. Secondly, continued arms sales to Taiwan could reduce suspicions and doubts from other allies in the region about U.S. reliability in keeping its defense commitments. Finally, if Taiwan remained strong militarily, the PRC would be less likely to launch an attack on the island.

And yet, at the behest of Beijing, the 1982 communiqué stated the intention of "the United States Government . . . to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution." The PRC interpreted this phrasing to imply the eventual termination of U.S. arms sales to Taiwan altogether, whereas President Ronald Reagan considered "final resolution" to apply to the Taiwan issue generally and not in particular to U.S. arms sales.[10]

Senator John Glenn, chairman of the East Asia and Pacific Affairs Committee when the TRA became law, flatly stated that in his opinion the August 17 communiqué truly did "undermine the spirit and intent of the TRA." He explained:

> Now, because we anticipated the PRC would pressure us to end or limit Taiwan arms sales, we provided in the act's framework for the executive branch to resist such pressures. . . . The communiqué discards that very carefully crafted framework, the heart of the TRA, in favor of an arms sale formulation negotiated under Chinese threats of retrogression of United States–PRC relations.[11]

Beijing has continued to pressure the Americans to reduce and eventually terminate U.S. arms sales to Taiwan, and as a result this issue has been a continuing source of tension between Washington and Beijing. That is hardly surprising, since the original motivation for arms sales to Taiwan was to enhance, not reduce, U.S. leverage and flexibility in its East Asian diplomacy.

[10] Lester L. Wolff and David L. Simon, eds., *Legislative History of the Taiwan Relations Act: An Analytical Compilation with Documents on Subsequent Developments* (Jamaica, N.Y.: American Association for Chinese Studies, 1982), pp. 314–15, 321–22; Richard Bush, "Helping the Republic of China to Defend Itself," in *A Unique Relationship*, ed. Raymon H. Myers (Stanford, Calif.: Hoover Institution Press, 1989), p. 89.

[11] U.S. Congress, House Committee on Foreign Affairs, *Implementation of the Taiwan Relations Act*, Hearings, 96th Congress, 1st Session, Oct. 23 and Nov. 8, 1979, p. 51.

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(2) The Ban on Visits by Taiwanese Officials. In September 1994 the U.S. State Department completed its first thorough review of policy toward Taiwan since 1979.[12] The resulting adjustments in policy made by the Clinton administration included a prohibition on visits to the United States by Taiwan's top leaders (including the president, vice president, premier, and vice premier) except for brief transit stops when necessary. Between 1979 and 1994, Taiwan's vice president and premier visited America in private capacities and were treated with dignity by U.S. administrations. The 1994 policy adjustment was clearly a step backward, as the Clinton administration repeatedly assured Beijing that Taiwan's president would not be admitted to the United States. However, responding to pressure from the Congress, Clinton reversed that decision in May 1995 and allowed President Lee Teng-hui to visit his alma mater, Cornell University. Chinese authorities were so enraged—or professed to be—by what they saw as a broken promise that they retaliated with military exercises and "test firings" off Taiwan's shores, obliging the United States, in turn, to dispatch an aircraft carrier force to the region. It would seem that the administration's promise failed both to reflect U.S. public opinion and to serve American national interest insofar as it prompted a dangerous crisis.

Another setback in the 1994 policy review stemmed from the U.S. decision to prohibit meetings between high-level Taiwanese and American officials in U.S. government offices, including the White House, the State Department, and the Old Executive Office Building, whereas American officials are welcome anywhere in Taipei. From Taiwan's perspective, the new policy stipulations are manifestly inequitable and amount to a humiliating loss of face for an old American ally.

(3) Clinton's Acceptance of the "Three No's." Another setback occurred in October 1997, when Clinton, during a meeting with Jiang Zemin in Washington, endorsed the so-called "three no's" position of the PRC, promising (1) not to support Taiwan's independence; (2) not to support "two Chinas" or "one China, one Taiwan"; and (3) not to support Taiwan's membership in any international organization based on statehood. These three pledges were repeated by Secretary of State Madeleine Albright during her visit to Beijing in April 1998. Clinton publicly reiterated this pledge during a question-and-answer session in Shanghai on June 30, 1998.

A different tune was sounded by Chairman Richard Bush of the American Institute on Taiwan (or AIT, the unofficial U.S. diplomatic office), who immediately reassured the people of the ROC that "the United States policy toward Taiwan, in all its elements, remains the same today as it was before the summit." This was soon followed by a *Newsweek* interview with Albright in which she reportedly asserted that "the president said exactly the

[12] For details, see Jaw-ling Joanne Chang, "How Clinton Bashed Taiwan and Why," *Orbis*, Fall 1995, pp. 567–82.

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kind of thing that previous presidents have said. I think there's an over-interpretation here. We have been for peaceful dialogue. The authorities on Taiwan understand the one-China policy and the need for peaceful cross-straits dialogue."[13] But the wording of the 1972 Shanghai communiqué is clear: "The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and Taiwan is a part of China. The United States Government does not challenge that position." Thus, prior to 1997, the United States never recognized or endorsed Beijing's position regarding Taiwan; it simply "acknowledged" it. Unfortunately, the present U.S. administration is now on record as supporting the PRC line. The first of the three no's represents a clear deviation from the standard policy since 1979, namely, that "the U.S. does not respond to questions of support or non-support of independence."[14]

Furthermore, there is no statement at all in the three communiqués about forbidding Taiwan's participation in international organizations. In fact, Section 4(d) of the TRA specifically states: "Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization." Still, Clinton maintains that his public statement that the United States will not support Taiwan's membership in any international organization based on statehood is not anything new. The Clinton administration has conveniently "over-interpreted" the three communiqués with the PRC in an attempt to portray his statements as entirely harmless and inoffensive. The claim made by the Clinton administration that nothing has changed is deceptive and simplistic. The U.S. policy toward Taiwan has changed, albeit subtly, and clearly to Taiwan's disadvantage.

Washington is being dragged into explicit support of China's agenda.

Perhaps the administration believes that stating its acceptance of Beijing's position on these issues somehow will discourage China's leaders from acting rashly over Taiwan, as they did in 1996. However, the opposite is more likely to be true because Washington is allowing Beijing to drag it step by step into explicit support of China's agenda while reducing its own room for maneuver.

Kent Wiedemann, the deputy assistant secretary of state for East Asian and Pacific affairs, testified at a 1995 hearing before the House International Relations Committee that the United States should support Taiwan's participation in the United Nations only if Taiwan and China reached an agreement on that issue. He stated, "we should not seek to insert the United States into

[13] Melinda Liu, "Secretary of State Madeleine Albright on the Impact of the U.S. President's Historic Nine-Day Visit to China," *Newsweek*, July 13, 1998, p. 22.

[14] Natale H. Bellocchi, "The Taiwan Relations Act—20 Years Experience" (paper presented at the International Conference on 1998 Taiwan National Security, Taipei, Nov. 6, 1998), p. 22.

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the middle of this issue."[15] However, with the third pledge the United States forecloses the possibility of Taiwan's membership in the United Nations and other international organizations composed of sovereign states, thereby inserting itself into the middle of the issue at the expense of Taiwan's interests.

Two Decades of Lessons for U.S.-Taiwan Relations

In his book *Why Nations Go to War*, John G. Stoessinger observed that the most important single precipitating factor in the outbreak of war is misperception.[16] Distorted views of the adversary's intentions and character often help to precipitate a conflict. One of the major causes of the Taiwan Strait crisis of 1995–96 was Beijing's misperception of Washington's and Taipei's motives. In addition, Washington's mismanagement of the decision to allow President Lee's visit and Taipei's miscalculation of Beijing's reactions contributed to the outbreak of the crisis.[17] In order to maintain peace and prevent conflict in the Taiwan Strait, some hard lessons from the past twenty years need to be learned.

Lesson Number 1: Taiwan should be aware that the TRA's ambiguities may be exploited by U.S. administrations to justify "situational" policies.

As we have observed, divergent interpretations of the TRA have complicated the issue of U.S. arms sales to Taiwan and put Taiwan's security at risk.

One ambiguity arises from the provision that "the President and the Congress shall determine" Taiwan's defense requirements, suggesting a greater-than-normal congressional role. Ever since a Supreme Court decision of 1936 concerning U.S. arms sales to South American countries, the president alone has had the constitutional power to speak or listen as a representative of the nation in its external relations.[18] On the other hand, Congressman Robert Lagomarsino told Deputy Secretary of State Warren Christopher in a Foreign Affairs Committee hearing in November 1979: "As the [TRA] states, . . . this body and specifically this committee take a direct interest in the nature and quantity of arms sold to Taiwan and intend to be a full partner in any decision made on this matter."[19]

Regardless of the TRA language that imputes shared decision-making by Congress and the president over the issue of arms sales to Taiwan, the Carter administration—by referring to the TRA language that decisions about

[15] U.S. Congress, House Committee on International Relations, *H. Con. Res. 63 Relating to the Republic of China (Taiwan's) Participation in the United Nations*, Hearing, 104th Congress, 1st Session, Aug. 3, 1995, p. 70.

[16] John G. Stoessinger, *Why Nations Go to War*, 6th ed. (New York: St. Martin's Press, 1993), pp. 214–15.

[17] For details of the causes of the crisis, see Jaw-ling Joanne Chang,"The Taiwan-Strait Crisis of 1995–1996," in *Postwar Taiwan in Historical Perspective*, ed. Chun-chieh Huang (College Park, Md.: University Press of Maryland, 1998), pp. 280–303.

[18] *United States v. Curtiss-Wright Export Corporation*, 299 U.S. 304 (1936).

[19] Bellocchi, "The Taiwan Relations Act—20 Years Experience," p. 17.

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arms sales to Taiwan be made "in accordance with procedures established by law"—proceeded to exclude Congress from the process altogether. According to Natale H. Bellocchi, former AIT chairman, the Carter administration established a process for considering and either approving or rejecting specific requests from Taiwan. Congress was notified only after the process was complete and the U.S. decision conveyed to Taiwan. Congressional objections did not prevail, and decisions regarding U.S. arms sales to Taiwan thereafter have been exclusively made by the president.[20]

A second ambiguity exploited by the executive branch to exclude congressional participation stems from Section 3(c) of the TRA:

> The President is directed to inform the Congress promptly of any *threat* to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger. [italics added]

Over the past twenty years, according to Bellocchi, the executive branch has avoided using the operative word "threat" in describing *any* situation regarding activities in the Taiwan Strait, thereby absolving it of responsibility to consult Congress.[21] During the 1995–96 missile crisis, for example, the Clinton administration labeled the PRC's missile tests "irresponsible" or "psychological warfare" or "risky and provocative," but never characterized them as threatening or tantamount to a prelude to an attack. Even when the administration deployed two U.S. carriers to the waters near Taiwan in March 1996, Secretary of Defense William Perry tried to downplay the significance of the move: "We do not believe China plans to attack Taiwan. We do not expect military conflict there." However, he added, "we are increasing our naval presence in the region as a precautionary measure."[22]

Lesson Number 2: The United States should never make promises that contradict its fundamental values.

In September 1994 the State Department announced the ban on visits by Taiwan's top leadership. Beijing argued that if someone called "President" should visit, in whatever capacity, that visit would ipso facto be "official." Unfortunately, the Clinton administration accepted Beijing's position. In 1994–95, senior U.S. officials assured the PRC that permitting an American sojourn by President Lee would be inconsistent with U.S. policy. Secretary of State Warren Christopher then iterated the administration's position on April 17, 1995, at a meeting in New York with Foreign Minister Qian Qichen. To be sure, Christopher indirectly warned Qian that "many people in Congress, including good friends of Beijing, do not understand why a visit to the *alma*

[20] Ibid.; see also Bush, "Helping the Republic of China," p. 86.
[21] Bellocchi, "The Taiwan Relations Act—20 Years Experience," p. 17.
[22] Steven Mufson, "China Warns U.S. Against Taiwan," *Washington Post*, Mar. 12, 1996.

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mater to pick up an honorary degree would have to be seen as official in nature. . . . The mood in the country was such that the administration position was not receiving overwhelming accolades."[23] But this veiled hint of a possible policy reversal was lost on Qian and a crisis ensued.[24] In 1972 and 1975 Presidents Nixon and Ford visited Beijing officially while recognizing the Republic of China on Taiwan as the legal government of China. At that time the PRC leaders did not think these visits were violations of the one-China principle. If official visits of U.S. presidents to Beijing did not violate unofficial U.S.-PRC relations, then why should a private visit of President Lee be considered a violation of unofficial ties between Washington and Taipei? Clearly, the Clinton administration should never have made any promise in violation of its fundamental national values, if only because it could never enjoy the support of the American people and Congress. American decision makers should avoid making similar mistakes in the future.

Lesson Number 3: Great nations, like battleships, should make U-turns slowly.

In May 1995 PRC leaders were furious over Clinton's reversal concerning Lee's visit because the United States had made an abrupt U-turn without any warning or preparation in Beijing. As President Jiang Zemin complained in an interview:

> After we got information that Lee Teng-hui was going to visit Cornell University, we raised this issue officially before the State Department of the United States. Secretary of State [Warren] Christopher firmly replied that if Lee Teng-hui's visit took place, it would represent [a] violation of the joint U.S.-Sino communiqués. However, after seven or eight days, all of a sudden, the White House announced the decision allowing Lee Teng-hui to make the visit, and they said that it was consistent with the principles enshrined in the communiqués. According to a Chinese proverb, with one turn of the hand you can produce clouds, with another turn of the hand you can produce rain. What I mean is, they always have a justification. They think they are always right. . . . This is a hegemonic act. This is not the right way to treat others as equals.[25]

Likewise, Foreign Minister Qian expressed his sense of betrayal in a statement issued on May 23, 1995:

> The U.S. administration has stated on many occasions that to allow Lee Teng-hui's visit to the United States would be inconsistent with the unofficial nature of U.S.-Taiwan relations. . . . The sound of these remarks had barely subsided when the U.S. administration suddenly made a U-turn. Does the administration have any regard for

[23] U.S. Department of State, Office of the Spokesman, *Background Briefing by Senior Administration's Officials after Secretary Christopher's Bilateral Meeting with Chinese Foreign Minister Qian*, New York City, Apr. 17, 1995, p. 13.

[24] Michael Dobbs, "U.S. Focuses on Better Ties of China," *Washington Post*, July 9, 1996.

[25] Steven Strasser et al., "This Is Not the Right Way to Treat Others," *Newsweek*, Oct. 23, 1995, p. 12.

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its international credibility when it goes back on its own words on such a major issue of principle?[26]

In brief, Beijing suffered a humiliating loss of face, and Jiang came under pressure from hardliners to make a strong response to Clinton's U-turn: "The question of Taiwan is a highly sensitive issue for the Chinese people. If any Chinese leader yielded on this question, he could not face the 1.2 billion Chinese people."[27]

By contrast, President Bush handled the reversal of the decision not to sell F-16s to Taiwan in an altogether different fashion. First, in June 1992 he rejected Taipei's request. Then, on July 29 General Dynamics announced that it would have to lay off 5,800 workers as a result. In a radio interview the following day, Bush said he was taking "a new look" at the possibility of selling F-16s to Taiwan, and some 200 U.S. congressmen signed a petition urging him to approve the sale to Taiwan and save American jobs.[28] Finally, on September 2, Bush announced that the sale would go through. Domestic politics may have dictated the timing of Bush's announcement, and a careful policy review concerning the military balance between Beijing and Taipei justified it. (The Bush administration was concerned about the PRC's growing military expenditures, its purchase of advanced Sukhoi-27 warplanes from Russia, and its expansive territorial claims in the South China Sea.[29]) But according to Douglas H. Paal, former senior director of Asian affairs of the National Security Council, the administration also handled the U-turn very carefully so as to mute Beijing's reaction. Bush sent high-level personal emissaries, led by Assistant Secretary for State for East Asian and Pacific Affairs William Clark, to Beijing to explain the justification and military implications of the sale. He also explained the decision personally to a well-placed Chinese official who happened to be visiting Washington.[30] In addition, the administration decided to close out four cases of suspended arms sales to China dating from the sanctions imposed in June 1989 after the Tiananmen Square crackdown.[31] High-level visits to the PRC were resumed as well, beginning with Secretary of Commerce Barbara Franklin.

The Clinton administration should avoid making hasty U-turns.

Beijing, of course, opposed the F-16 sale. Vice Foreign Minister Liu Huaqui lodged a strong protest, and the PRC press denounced the sale with terms such as "short-sighted," "perfidious," "lying," and "treacherous," warn-

[26] "China Issues Strong Protest to U.S.," *Beijing Review*, June 12–18, 1995, p. 18.

[27] Mortimer B. Zuckerman et al., "The Problem Is Political Will," *U.S. News and World Report*, Oct. 23, 1995, p. 72.

[28] Harlan W. Jencks, "Taiwan in the International Arms Market," in *Taiwan in World Affairs*, ed. Robert Sutter and William R. Johnson (Boulder, Colo.: Westview Press, 1994), p. 81.

[29] James Mann, "Henry Clinton," *The New Republic*, Dec. 27, 1993, pp. 12, 82.

[30] Personal interview with Douglas H. Paal, Aug. 29, 1995, in Taipei, Taiwan.

[31] "Presidential Decision on Military Sales to China," *U.S. Department of State Dispatch*, Jan. 4, 1993, p. 10.

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ing of a terrible setback to U.S.-PRC relations. But the PRC's actual retaliation was minimal, amounting to brief delays in the import of American commercial aircraft. When, on September 28, 1992, President Bush vetoed a congressional bill (H.R. 5318) that put conditions on the renewal of China's most-favored-nation status for 1993–94, leaders in Beijing warmly welcomed the action and once again considered Bush their best friend in Washington.[32]

The Clinton administration should learn from these examples and avoid making hasty U-turns in the future.

Lesson Number 4: Military action against Taiwan only thwarts Beijing's goal of unification.

The Clinton administration has repeatedly stated that U.S. policy toward China aims for "comprehensive engagement."[33] Leaders in Beijing, however, believe that Washington has a long-term strategy of containment and that U.S. officials opposed to the rising power of China are taking a variety of measures to "hold back" and weaken China's power.[34]

Secretary of Defense William Perry stated in 1995 that containment would only provoke reflexive and intractable Chinese opposition to U.S.-led security initiatives in the United Nations and other multilateral bodies.[35] By the same token, if the Chinese believe the United States is trying to contain them, they may react in reflexive and intractable ways, and the "China threat" may become real.

Winston Lord pointed out in 1995 that there was a growing perception in some PRC quarters that the United States was trying to foster an independent Taiwan as part of an effort to "contain" China.[36] The decision to allow President Lee to visit Cornell only reinforced those suspicions. Beijing's sharp reactions, including widely publicized military exercises and ballistic missile tests near Taiwan, have increased fears of the "China threat" and strengthened the hands of those U.S. officials who are deeply suspicious of, or hostile to, the Beijing government.[37]

[32] "Senate Rejects MFN Override," *Congressional Quarterly*, Oct. 3, 1992, p. 3027; Jencks, "Taiwan in the International Arms Market," pp. 85–86.

[33] Nye, "The Case for Deep Engagement"; Anthony Lake, "From Containment to Enlargement," *U.S. Department of State Dispatch*, Sept. 27, 1993, pp. 658–64; Winston Lord, "U.S. Maintains Comprehensive Engagement with China," statement before Senate Foreign Relations Committee, Oct. 11, 1995, *AIT Policy File*, Oct. 13, 1995, GB-95-32, pp. 1–6; William Perry, "Engagement Is neither Containment nor Appeasement," remarks at the Washington State China Relations Council, Oct. 30, 1995, *AIT Policy File*, Nov. 3, 1995, GB-95-36, pp. 1–10; James B. Sternberg, "Policy and Principles: The Clinton Administration's Approach," *U.S. Department of State Dispatch*, Feb. 5, 1996, pp. 26–29.

[34] Robert G. Sutter, "China Policy Crisis Over Taiwan, 1995—A Post Mortem," *CRS Report for Congress*, 95-1173F (Washington, D.C.: Congressional Research Service, Library of Congress, Dec. 5, 1995), pp. 2–3.

[35] Perry, "Engagement Is neither Containment nor Appeasement," p. 4.

[36] Winston Lord, "U.S. Must Allocate Resources to Back Security Policies in Asia," House International Relations Committee testimony, *AIT Text File*, Aug. 1, 1995, BG-95-24, p. 11.

[37] Sutter, "China Policy Crisis Over Taiwan," p. 9; Arthur Waldron, "Deterring China," *Commentary*, Oct. 1995, pp. 17–21; Gideon Rachman, "Containing China," *The Washington Quarterly*, Spring 1996, pp. 129–39; James Shinn, ed., *Weaving the Net* (New York: Council on Foreign Relations Press, 1996), pp. 8–9; Denny Roy, "The

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China's reactions to Lee's American visit dampened the willingness of some countries, including Japan and the European Union, to follow the U.S. lead in granting greater recognition to Taiwan's government and leaders, but this apparent success was outweighed by negative consequences for Beijing in the longer term. Increasing fears of a "China threat" ultimately led to greater security cooperation between Japan and the United States, including plans to develop Theater Missile Defense. China's missile firings and ground, air, and naval exercises were also supposed to intimidate voters in Taiwan, but they did not. Public support in Taiwan for unification with the mainland decreased, while U.S.-Taiwan military ties were strengthened. In the March 1996 election, Lee won 54 percent of the presidential vote in a four-way race. And much to Beijing's chagrin, the missile exercises off Taiwan's coast that month attracted more than 700 reporters from all over the world to Taiwan, thrusting the ROC's first presidential election into the international spotlight.

Leaders in Beijing may believe military threats and diplomatic pressures are their best tools for dealing with pro-independence advocates in Taiwan. But according to public opinion polls, Beijing's missile threats actually prompted more support for independence in Taiwan. In 1994–95, prior to Beijing's missile threats, a larger segment of the Taiwanese public favored unification than independence. But by March 1996, for the first time, more Taiwanese favored independence (20.5 percent) than unification (18.8 percent), although the majority of those polled (50.7 percent) still favored the status quo.[38] Leaders of the PRC should learn that military threats against Taiwan increase fears of the "China threat" and thwart its goal of unification.

Lesson Number 5: Agreements to resolve conflicts have no effect if they are not observed.

Experience suggests that the United States has tended to support agreements to resolve major conflicts long after those agreements prove

China Threat Issue: Major Arguments," *Asian Survey*, Aug. 1996, pp. 758–71; Michael Richarson, "A Resurgent China Sets off Alarms over Containment," *International Herald Tribune*, July 7, 1995; Masashi Nishihara, "Japan Has Cause to Worry about Chinese Ambition," *International Herald Tribune*, July 12, 1994; Ann Kent, "China: On the Rise or on the March?" *Canberra Times*, July 29, 1995; Robert Sutter, "China's Rising Military Power and Influence—Issues and Options for the U.S.," *CRS Report for Congress*, 96-66F (Washington, D.C.: Congressional Research Service, Library of Congress, Jan. 16, 1996), pp. 1–45; "China Goes Ballistic," "Free-for-all," "The Pekinese and the Lamp Post," *The Economist*, July 29, 1995, pp. 17–19; Bill Gertz, "Missile Tests Raise Fear of Chinese Aggression in Asia," *Washington Times*, Aug. 15, 1995; Jason Glashow and Michael J. Witt, "Boost in Chinese Buildup Fuels Asian Worry," *Defense News*, Jan. 29–Feb. 4, 1996, p. 6; Michael Leifer, "East Asia Fears Chinese Hegemony as U.S. Presence Ebbs," *International Herald Tribune*, Jan. 20–21, 1996; James Baker III, "Patchwork Asian Policy Begs Repair," *Washington Times*, May 20, 1996; Richard Bernstein and Ross H. Munro, "The Coming Conflict with America," *Foreign Affairs*, Mar./Apr. 1997, pp. 18–32.

[38] These figures, from the Mainland Affairs Council, Executive Yuan, Republic of China, are taken from numerous surveys of Taiwanese adults, conducted between 1994 and 1999 by the following organizations: the Election Study Center, National Chengchi University, Taipei; Burke Marketing Research, Ltd., Taipei; China Credit Information Service, Ltd., Taipei; Center for Public Opinion and Election Studies, National Sun Yat-Sen University, Kaohsiung; and Survey and Opinion Research Group, Department of Political Science, Chung-Cheng University, Chiayi.

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ineffective or subsequent developments render them meaningless. For example, Henry Kissinger was lauded for the Paris Peace Accords of 1973, whereupon this so-called breakthrough proved meaningless, the war in Vietnam continued, and North Vietnam triumphed in 1975. Similarly, the 1992 Basic Agreement between North and South Korea on Reconciliation, Nonaggression, and Exchange and Cooperation, which declared the "denuclearization" of the Korean Peninsula, was strongly supported by the United States, but proved unavailing. As Kissinger himself was to warn after the Paris agreement faltered:

> No settlement is self-enforcing. It is not possible to write an agreement whose terms, in themselves, guarantee its performance. Any agreement will last if the hostility of the parties is thereby lessened, if the parties have an incentive to observe it, and/or if the parties pay a penalty for breaking it. If those three conditions are not met, no matter what the terms of the agreement, there is a tendency toward erosion.[39]

Regardless of U.S. disavowals of interference in the resolution of differences between Taiwan and the PRC, a recent statement by Assistant Secretary of State Stanley Roth that "thinking" about "interim agreements" might contribute to cross-strait dialogue suggests a continuing U.S. fondness for empty agreements.[40] According to the Mainland Affairs Council of Taiwan's Executive Yuan, over 205 "relaxing measures" on cross-strait relations since 1987 have resulted in cultural and educational exchanges, improved economic relations between Taiwan and the PRC, official visits by representatives of SEF and ARATS, and personal visits by individuals on both sides. Nevertheless, the council has charged the PRC with breaking at least twenty-five promises from 1993 to 1997.[41] In view of the current tensions and anxieties aroused by the menace of PRC missile threats, it is high time to develop more confidence-building or peace-advancing measures as precursors to more meaningful agreements.

Lesson Number 6: The U.S.-Taiwan-PRC triangle should be managed in light of regional and global strategy.

With the demise of the Soviet Union and the end of the Cold War, the PRC's regional and global strategy has been to foster a balanced, multipolar world, rather than what it perceives as an unbalanced, unipolar world dominated by the United States. Regionally, for example, the PRC has initiated trade and diplomatic relations with South Korea while acting as a constraint on North Korean bellicosity. Perhaps more significantly, the PRC

[39] Allan E. Goodman, *The Lost Peace* (Stanford, Calif.: Hoover Institution Press, 1978), p. 165.

[40] Stanley O. Roth, "The Taiwan Relations Act at Twenty—and Beyond," speech delivered at the international conference "Two Decades of U.S.-Taiwan Relations," jointly sponsored by the Woodrow Wilson Center and American Institute in Taiwan, Washington, D.C., Mar. 24, 1999, p. 15.

[41] "Broken Promises: Failure of the Chinese Communists in Honoring Cross-Strait Commitments," Aug. 1993–Oct. 1997, Mainland Affairs Council, Executive Yuan, Taipei, Taiwan, pp. 1–10; "Cross-Strait Dialogue: Who Broke It Off? Who Tried Hard to Restart It?" May 1995–Oct. 1998, Mainland Affairs Council, Executive Yuan, Oct. 1998, pp. 1–4.

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has sought to forge comprehensive partnerships or cooperative relations with other important countries—for example, Britain, Germany, France, Pakistan, Japan, and all the members of the Association of Southeast Asian Nations—while engaging in constructive strategic relationships with the preeminently powerful Russia and the United States. The purpose of this "great power diplomacy" is manifestly to reduce the influence of the United States in world affairs. To the extent that this strategy is successful, U.S. dominance in East Asia is bound to be checked, and Taiwan's security will diminish accordingly.

Lesson Number 7: It is time the international community recognized that the ROC is a sovereign state.

The Republic of China on Taiwan has been a sovereign state since 1912, and President Lee Teng-hui's remarks concerning a "special state-to-state relationship" between the PRC and Taiwan merely clarify a political reality that has existed for half a century.

In 1979 President Carter stated that in recognizing the PRC, the United States was only "terminating a fiction" and embracing reality. "The fiction has been that we recognized the authorities on Taiwan to be the legitimate government of 1 billion Chinese on the mainland. This has not been the case for 29 years," Carter explained.[42] The reality, however, was not so simple. China has two governments, each of which has effectively controlled different territory since 1949. A realistic policy would have been to recognize each government as competent in the territory it controls.

Taiwan is not a renegade province of the PRC for the simple reason that it was never part of the PRC. But Beijing has attempted to force Taipei to accept a politically inferior position in cross-strait negotiations under its "one China" principle. The international community has become accustomed to Beijing's pronouncements and has disregarded the fact of separate and equal rule on the two sides of the Taiwan Strait. It is time for the United States and other countries to "terminate the fiction" that Taiwan is part of the PRC. To be sure, the ROC government remains committed to the long-term goal of a unified, democratic China. The purpose of clearly defining the cross-strait relationship as "special state to state" is simply to ensure the equal status of both sides in negotiations.[43] The international community ought to encourage Beijing to face reality and start meaningful cross-strait dialogue based upon parity.

Lesson Number 8: Promotion of Taipei's international status cannot be risk free.

Because Taiwan cannot expect any U.S. administration to take the initiative in upgrading relations, it must take a proactive stance. Examples of developments brought about by Taipei's pressure on Washington are abun-

[42] Office of Media Liaison, *China*, background report (Washington, D.C.: The White House Press, Jan. 4, 1979), p. 5.

[43] "Parity, Peace, and Win-Win: the Republic of China's Position on the Special State-to-State Relationship," Mainland Affairs Council, Executive Yuan, Aug. 1, 1999, p. 1.

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dant: U.S. support of Taiwan's standing in the Asian Development Bank; support for Taiwan in the Asia-Pacific Economic Cooperation forum in 1991; support for Taiwan's observer status in the General Agreement on Tariffs and Trade in 1992; the sale of 150 F-16 fighter planes to Taiwan in 1992; and high-level interaction between U.S. and Taiwanese leaders, including visits to Taiwan by U.S. Trade Representative Carla Hills and Secretary of Transportation Federico F. Peña in 1992 and 1994, respectively.

The PRC will always oppose attempts to upgrade relations between Washington and Taipei. Promotion of Taipei's international status, therefore, always carries risks. In 1981–82, for example, Taiwan sought to purchase FX fighter planes, only to have the 1982 U.S.-PRC joint communiqué restrict arms sales to Taiwan.[44] In 1994 Taipei sought to win permission for President Lee to visit the United States, only to have the State Department announce policy "adjustments" in September 1994 that forbade visits by Taiwan's top leadership. Taipei must bear in mind that any significant issue is always addressed in Washington in the context of U.S. relations with Beijing.

The Republic of China on Taiwan is an emerging democracy, and its people demand that their leaders take concrete actions to upgrade its international status. If U.S. interests are best served by supporting democracy and human rights abroad, as the Clinton administration claims, then it must treat the ROC and its leaders with respect and dignity. High-level communication channels between Washington and Taipei should be developed in order to promote better understanding and avert misperception.

For its part, the United States should continue to play an active role in Asia and be willing to exercise leadership and develop a coherent policy to promote freedom and democracy in the region. The United States should also send a clear and unambiguous message to the PRC that it will not tolerate the use of force against Taiwan. To emphasize this point, the United States should improve U.S.-Taiwanese military communication and continue to stand by the "six assurances" made to Taiwan in 1982.[45] Finally, the United States must begin to take a truly balanced approach toward Beijing and Taipei.

Leaders in Beijing, in turn, should realize that the use of force against Taiwan would be counterproductive, severely damage the PRC's own interests, and thwart its goal of unification. Above all, each of the parties should reexamine its own role in the recent crises and draw the right lessons from the events of the past twenty years.

[44] For details, see Jaw-ling Joanne Chang, "Negotiation of the 17 August, 1982, U.S.-PRC Arms Communiqué: Beijing's Negotiating Tactics," *China Quarterly*, Mar. 1991, pp. 33–54.

[45] (1) The United States has not agreed to set a date for ending arms sales to the Republic of China. (2) The United States has not agreed to hold prior consultations with the Chinese Communists on arms sales to the Republic of China. (3) The United States will not play any mediation role between Taipei and Beijing. (4) The United States has not agreed to revise the Taiwan Relations Act. (5) The United States has not altered its position regarding sovereignty over Taiwan. (6) The United States will not exert pressure on the Republic of China to enter into negotiations with the Chinese Communists.

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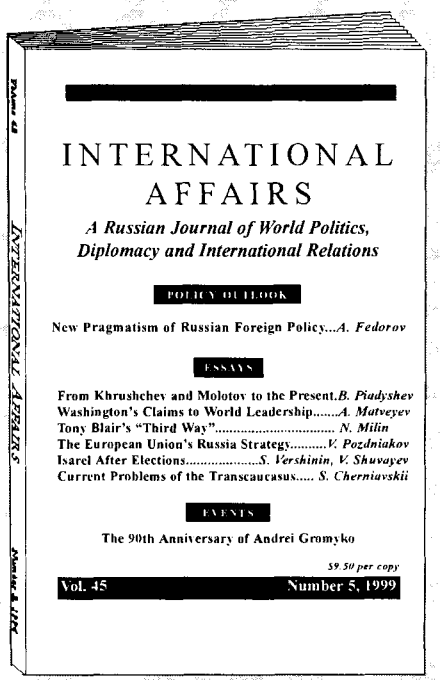
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Theater Missile Defense and Taiwan's Security

by Thomas J. Christensen

In a complex world there are few policy choices that carry all positive or all negative consequences for the security of the states involved.[1] The decision facing the Republic of China on Taiwan (and the United States) about whether or not Taiwan should participate in the development and future deployment of theater missile defense (TMD) systems in East Asia is no exception. At present, the United States and Japan have initiated a long-term program to study, develop, and perhaps deploy sophisticated "upper-tier" missile defense systems in East Asia: ship-based navy theater-wide (NTW) and/or land-based theater high altitude air defense (THAAD). The question remains whether Taiwan, which is subject to missile threats from mainland China, ought to be included in the upper-tier program.

The answer might seem to be an obvious yes. But when one considers the long-term security interests of Taiwan, it appears that the real value of Taiwan's current participation in the upper-tier TMD program is more than offset by the opportunity costs and dangers involved. Moreover, since Taiwan's long-term security is more important to the United States than any ancillary benefits that might accrue from Taiwan's participation, what holds true for Taipei also holds true for Washington. At present, Taiwan and the United States will do more to contribute to regional stability and security by allowing the United States to study and develop upper-tier TMD technology *without* Taiwan's financial or technical participation in the program and *without* any prior commitment to transfer upper-tier TMD systems to Taiwan, if and when effective systems are available.

[1] For helpful comments the author would like to thank Chas. Freeman, Peter Halpern, Alastair Iain Johnston, George Lewis, Theodore Postol, Robert Ross, Stephen Van Evera, the participants in the conference on "New Perspectives on U.S. Policy toward Cross-Strait Relations," Apr. 16–17, 1999, at the Fletcher School of Law and Diplomacy, Tufts University, and interlocutors in Washington, Beijing, Shanghai, and Taipei who must remain anonymous.

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In the short to medium term (five to ten years), Taiwan's commitment to the TMD program would seem to have especially low political and military value and particularly high opportunity costs. For in that period no effective upper-tier theater missile defense will exist to counter an extant and increasing ballistic missile threat to Taiwan from China. Moreover, in that period a debate will likely continue in Beijing about whether or not political and military trend lines in Taiwan's politics and U.S.-Taiwan relations argue for a patient diplomatic approach to cross-strait relations or an impatient coercive strategy. If trend lines seem to suggest an accelerating drift toward independence for Taiwan, Beijing may try to "solve" the issue quickly before it becomes more intractable over time. Taiwan and the United States have a huge stake in whether arguments for patience or impatience win the day in Beijing, and the strategic choices made in Taipei and Washington are bound to influence the outcome of Beijing's internal debates.

This essay will present four key working assumptions about Taiwan's security needs for the next ten to fifteen years, illuminate the arguments that make Taiwanese participation in missile defense appear attractive at first glance, and conclude by laying out the reasons why, despite its apparent benefits, participation in the TMD program would be detrimental to Taiwan's long-term security.

Before proceeding, however, one important issue must be clarified. There is much confusion in the media between existing lower-tier theater missile defenses and future upper-tier missile defense architectures. What is at issue here is *not* the transfer of lower-tier missile defense systems or technology, because the United States has already shared various lower-tier technologies with Taiwan, including advanced versions of second-generation Patriot air defense batteries (PAC-2 Plus), and has agreed in principle to transfer early warning radar systems as well. Such a radar capability would facilitate Taiwan's absorption of the newest American lower-tier systems, such as the PAC-3 Patriot systems, if and when the United States agrees to transfer such systems. Given the past record of U.S.-ROC military relations and the current political climate in the United States regarding Taiwan's defense, Taiwan seems on track to receive whatever lower-tier missile defense systems are produced in the West. But lower-tier systems, however advanced, are less likely to be effective shields against theater ballistic missiles than future defenses that will combine lower-tier and upper-tier systems. More important, lower-tier systems require less coordination with the U.S. intelligence network and command and control systems (e.g., satellites, sensors, and the like), and thus should prove less provocative to mainland China. Taiwan's participation in upper-tier TMD programs, by contrast, would require close peacetime cooperation and linkages between the defense establishments in the United States and Taiwan, and cause considerable consternation in Beijing. Hence, the term "TMD program" as employed here refers to the development and deployment of *upper*-tier

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systems by the United States in conjunction with its friends and allies in the region.[2]

Working Assumptions Regarding Taiwan's Security

Let us now turn to those four key propositions regarding Taiwan's near-term security:

1. *Dependence on Beijing.* Because of geography and the balance of forces across the strait, Taiwan's security rests and will continue to rest on decisions made in Beijing. Regardless of its own defense procurement decisions, Taiwan will remain vulnerable to devastating military attacks and economic coercion from the mainland that will endanger its people and its economy. Therefore, Taiwan does not have the luxury of ignoring Beijing's policy goals and concerns.

2. *Dependence on Washington.* The best hope of limiting the risks posed by potential aggression from Beijing is for Taiwan to rely on the United States as a security guarantor of last resort to deter unprovoked Chinese aggression or to help Taiwan's forces defend against that aggression should deterrence fail.

3. *The Danger of Provocation.* Taiwan's security would therefore be threatened by any political or military strategy that unnecessarily provoked the mainland and/or weakened the American commitment to the defense of Taiwan.

4. *The Danger of a PRC* fait accompli *strategy.* Taiwan must try to avoid vulnerability to a sudden assault whereby mainland China seeks to invade Taiwan or compel its capitulation through massive coercion so quickly that the United States is unable to respond in a meaningful, timely manner.

In the context of cross-strait relations, these four simple propositions create a complex security challenge for Taiwan. Through a combination of indigenous defense forces and informal ties to Washington, Taipei must try to prevent Beijing from obtaining the ability to launch a *fait accompli* without, in the process, provoking Beijing by magnifying its fears about Taiwan's drift toward permanent political separation from the mainland. This is not an easy balance to maintain.

[2] Recent press reports often have failed to make the important distinction between Taiwan's requests for and American transfers of lower-tier missile defense technologies and the separate issue of whether or not Taiwan should participate in a future American-led upper-tier system in the region. In August 1999, President Lee Teng-hui's cabinet announced that it wanted to pursue vigorously a modernized lower-tier missile defense system. The Western and local press often equated this with a decision to join the upper-tier TMD development program being undertaken by Japan and the United States. Given the sensitivity of the latter question in Beijing and in Washington, ROC defense minister Tang Fei quickly pointed out in a television interview that Taiwan's cabinet had made no decision on whether to participate in the U.S. upper-tier program and had only decided to develop an independent lower-tier system for the island. See "Taiwan Plans Live-Fire Test of Patriot Missile," Agence France-Presse, Aug. 27, 1999, available at (clari.world.asia.china).

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Arguments for Taiwan's Inclusion in the TMD Program

Although it may seem odd on its face, the most important reasons for Taiwan to participate in the development and deployment of advanced TMD systems are political. Because upper-tier TMD will be extremely complex, involving sensors, satellites, and communications capabilities, Taiwan could not truly participate in the system without integrating its own intelligence gathering and command and control systems with the American systems in the region. This would create a tighter link between the military establishments in Taiwan and the United States and amount to a quasi alliance. Such a condition could render American abandonment of Taiwan in a crisis less likely because it would require a greater departure from the pre-crisis status quo.

A second political reason for involvement in TMD is that in American domestic politics there is significant overlap between elected officials and career bureaucrats who support the development of ballistic missile defense systems, envision China as a major threat to the region and to American interests, and believe the United States should upgrade its defense and political relationship with Taiwan despite or even because of the anger this would cause in Beijing. Thus, by demonstrating faith in theater missile defenses and helping to defray some of the cost of developing such systems, Taipei would help its traditional allies in Congress and in the executive branch and at the same time encourage the U.S. defense establishment to stay focused on threats posed by the People's Liberation Army (PLA).

The main military reason for Taiwan to pursue TMD, it goes without saying, is to respond to the growing missile threat from the mainland. The PRC has for three decades had the ability to strike Taiwan with ballistic missiles.[3] Taiwan has for three decades lacked any defense against such attacks. What is new in cross-strait military relations is the increasing missile capabilities of the PLA, particularly in the numbers and quality of missiles capable of striking Taiwan, and Beijing's willingness to use ballistic missiles as coercive tools, as demonstrated in its two rounds of missile exercises in the Taiwan Strait in 1995 and 1996. As outlined in a recent Pentagon report, Taiwan is likely to be threatened by an increasing number of ballistic missiles deployed in the mainland provinces opposite the island. These missiles (including the M-11, M-9, and DF-21) represent relatively old technologies, but with Chinese advances in missile accuracy and reliability they pose an increased quantitative and qualitative threat to Taiwan.[4]

The new fear among military analysts is not that the PRC can use these

[3] For the development of the Chinese ballistic missile program, see John Wilson Lewis and Hua Di, "China's Ballistic Missile Programs: Technologies, Strategies, Goals," *International Security*, Fall 1992, pp. 5–40.

[4] See *The Security Situation in the Taiwan Strait* (Washington, D.C.: U.S. Department of Defense, Feb. 26, 1999).

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weapons to terrorize Taiwan's population and cripple its economy. China has had that ability for a long time and will not lose it during the ten to fifteen years required to develop and deploy an effective antimissile umbrella over Taiwan. (Even then, such a shield would not be effective against cruise missiles, which are able to fly underneath any antiballistic missile shield.) Rather, the most significant new challenge posed by the growing ballistic missile threat to Taiwan is a tactical threat to what probably is Taiwan's most important asset: its ability to maintain air superiority over the Taiwan Strait and thus repel any PRC invasion force. The fear among analysts in the United States and Taiwan is that the mainland may gain the ability to offset Taiwan's air superiority by early, heavy, and concerted ballistic and cruise missile attacks on airstrips, the bunkers that house fighter planes, the critical E-2 airborne early warning aircraft, communication nodes, and command and control centers. TMD enthusiasts argue that an effective TMD system may help to blunt the PLA's ability to destroy these assets and slow or stop the scrambling of Taiwan's air forces long enough for the PLA to gain air superiority and attempt a *fait accompli.* Given the difficulty involved in coordinating and successfully executing a massive missile attack that paralyzes the numerous small, hidden, and in many cases hardened sites in Taiwan, even a partially effective TMD system could suffice to save Taiwan's critical air superiority and its command and control system in time of war. Therefore, even if TMD did not protect Taiwan from terror attacks, its acquisition could deter China from launching a risky offensive or defend against one if deterrence fails.[5]

Moreover, as a defensive system, TMD would be less provocative to mainland China than some alternative means by which Taiwan might pursue protection from PLA missiles: for example, massive retaliation capabilities or strike warfare capabilities (such as offensive ground-, sea-, and air-launched missiles) designed to destroy PLA missiles before they are fired. Many in Taiwan propose more offensive and deterrent capabilities for the island even as they recognize that such developments would pose huge dilemmas for the United States as a leader of antiproliferation efforts such as the Missile Technology Control Regime and the Nuclear Nonproliferation Treaty. Taiwanese and American proponents of missile defense systems often emphasize that Taipei must do something to counter the threat from the mainland,

[5] For consideration of the scenario in which the PRC launches a *fait accompli* military strategy against Taiwan, see ibid.; and Maj. Mark Stokes (USAF), *China's Strategic Modernization: Implications for the United States* (Carlisle, Pa.: Strategic Studies Institute, 1999). Statements above about U.S. government concerns relating to Chinese missile developments and TMD as a potential solution to that threat are drawn in part from the author's not-for-attribution discussions with government officials on these matters. For optimistic projections about upper-tier TMD effectiveness in the Taiwan area, see the "Report to Congress on Theater Missile Defense Options for the Asia-Pacific Region" (Washington, D.C.: U.S. Department of Defense, 1999).

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and that TMD systems, however provocative to Beijing, are less provocative than the offensive alternatives.[6]

Arguments against Taiwan's Participation in the TMD Program

Nevertheless, several factors reduce the potential benefits of Taiwan's participation in the TMD system even if one assumes a very accurate PLA missile threat, an aggressive and well-informed PLA strategy, and a highly successful upper-tier TMD development program. Taiwan analysts must also consider the opportunity costs of TMD for Taiwan's military in terms of potentially less expensive and less provocative countermeasures against the missile scenario outlined above. First and foremost, a ballistic missile is a notoriously bad way to deliver conventional munitions. Even if it is very accurate, a single missile tipped with a conventional warhead can inflict only very limited damage. In order to destroy or neutralize key targets for a significant amount of time with any assurance, one must first know where all the relevant targets are and then aim multiple missiles at each one. A finely tuned reconnaissance system for bomb damage assessment would be a very important, if not necessary, asset that could inform missile targeteers if and when a target had been successfully destroyed.[7] Because of these inherent difficulties in ballistic missile strikes, Taiwan may more cheaply and effectively respond to the threat of a paralyzing missile barrage on its air defense system by investing in: more runways of greater strength, width, and length; more redundancy in lines of communications; hardening of communications nodes; an increased number of airborne early warning aircraft and fighters that are more widely dispersed and stored in harder shelters; improved air-to-air missiles (for example, U.S. advanced medium-range air-to-air missiles [AMRAAMs]); and increased training in the rapid repair of airstrips and command centers. Since runways are hard to hit accurately and are easy to repair (craters can be filled in or covered with steel plates, as are American highways during construction projects), it is difficult to keep the runways of a dedicated opponent out of commission for long.[8] Taiwan could also improve coastal defenses and other air defenses to prevent the PLA from exploiting to its maximum favor any shift in the battle for air superiority created by a "bolt from the blue" missile assault.

What is more, meaningful participation by Taiwan in upper-tier TMD

[6] Author's not-for-attribution interviews with ROC government officials in Taipei, May 1999. For an American perspective on this issue, see Col. Larry M. Wortzel, "OpEd: The Danger of No Theater Missile Defenses," *Strategic Studies Institute Newsletter*, Feb. 1999 (carlisle-www.army.mil/usassi/ssioutp/newsletter.htm).

[7] Targeteers could surmise from enemy activities which targets were destroyed, but reliance on such a strategy would open an attacker up to high risks of becoming victimized by enemy deception.

[8] During the Gulf War, allied efforts to paralyze Iraqi airstrips apparently enjoyed only mixed results despite terrific bomb damage assessment, total air superiority, and very sophisticated strike weapons. The Iraqis did not use their air assets for the most part, but not because their airstrips had been disabled.

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is likely to require billions of dollars. Given Taipei's limited defense budget, this would consume resources needed for other defense missions, including training and equipment. Taiwan has diverse defense needs unrelated to the missile threat to its air defense assets. For example, to avoid an economic blockade, Taiwan will need increasingly sophisticated mine-hunting and antisubmarine warfare capabilities, especially because the U.S. Seventh Fleet is weak in mine hunting, maritime mines are increasingly sophisticated and hard to locate, and Japanese involvement in mine hunting around Taiwan would be extremely unlikely and politically unwise. In other words, if the PLA adopted such tactics, Taiwan would have to bear much of the burden of mine hunting, particularly in the early stages of a crisis.[9] Similarly, Taiwan might better spend its defense dollars improving its rather weak antisubmarine warfare capabilities by investing in P-3 aircraft and undersea sensors for detecting enemy submarines.

In terms of technology, TMD poses an extremely complicated challenge. An upper-tier system of any effectiveness is at least several years away from deployment even in the rosiest scenarios, and it may be that no effective system will be created in the foreseeable future. Finally, even if a system of limited effect is developed, it is not at all clear that comparatively cheap countermeasures cannot defeat such a system through saturation, decoys, elusive maneuvers by ballistic missiles, or extensive use of cruise missiles that fly below the TMD system's umbrella.[10] These factors are exacerbated in the case of Taiwan's defense by the size and growing resources of the PRC, the relatively high and growing skill level of the PLA rocket engineers, and the sheer proximity of Taiwan to the mainland. It is often said that Taiwan is an "unsinkable aircraft carrier." But it is also an *unmovable* aircraft carrier permanently moored just off its main enemy's coast. Protecting Taiwan from a vast barrage of missiles of different types, speeds, and trajectories would be extremely difficult, even with a full-blown TMD system. Indeed, that pessimistic analysis is widely shared not only by American and Taiwanese experts on TMD, but also PLA and civilian security analysts in Beijing. That is why the latter, although they remain passionately opposed to Taiwan's inclusion in American TMD plans,

Taiwan may be an "unsinkable aircraft carrier," but it is also unmovable.

[9] For discussions of blockade scenarios, see Paul H. B. Godwin, "The Use of Military Force Against Taiwan: Potential PRC Scenarios," in *If China Crosses the Taiwan Straits: The International Response*, ed. Parris H. Chang and Martin L. Lasater (New York: University Press of America, 1993), pp. 15–34; and Thomas J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia," *International Security*, Spring 1999, pp. 49–80.

[10] For the challenges that enemy countermeasures can pose for American upper-tier missile defenses, see George N. Lewis and Theodore A. Postol, "Future Challenges to Ballistic Missile Defense," *IIEE Spectrum*, Sept. 1997, pp. 60–68.

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see their main problems with Taiwan's participation as political rather than military.[11]

Just as political considerations provide the best reasons for Taiwan to participate in the American TMD program, they also provide the best arguments against participation, particularly in the near term. The fact that a TMD system will not exist for several years and may never exist in a form that will provide significant protection for Taiwan only amplifies the political concerns related to Taiwan's near-term participation in the developing TMD program. One might therefore conclude that Taiwan's participation in an upper-tier TMD program would place the wrong defense system in the wrong hands at the wrong time.

For the same reasons that some in Taiwan may be tempted to join the U.S.-led TMD program, PRC experts appear terribly worried about U.S.-Taiwan TMD cooperation. They worry that an extremely effective TMD system might reduce China's ability to coerce Taiwan with missile attacks, which is viewed as China's most effective method of preventing Taiwan's permanent political separation from the mainland. Still, since few in Beijing seem to believe that TMD will be able to provide a robust defense against PLA missiles, particularly if Beijing responds to Taiwan's participation in the TMD program by accelerating the development of its missile forces, their main fear is that TMD may give Taiwan's citizens an illusion of safety and encourage them to promote pro-independence policies. This fear is particularly acute because Taiwan's participation in the TMD program would seem to suggest to the people of Taiwan that they enjoyed the protection of a quasi alliance with the United States, and that American intervention would be certain if the mainland attacked the island.[12]

Since Taiwan needs not only to deter PLA adventurism, but also to avoid creating destabilizing reactions from the mainland, attitudes on the mainland matter. The PLA might respond to the anticipated inclusion of Taiwan in a future TMD system by accelerating its own missile development program, which would only increase political tensions for Taiwan, China, and the United States. To be sure, the mainland is likely to improve its missile capability in any case, but an announcement of Taiwan's intention to participate in TMD would spur Beijing to increase its coercive capabilities in the face of Taiwan's enhanced defenses and at the same time provide missile advocates in Beijing with the leverage they need in budget debates. Moreover, Beijing could expect a degree of international political cover for build-

[11] Not-for-attribution statements by PRC arms control and missile experts in the United States, Aug. 1998, and author interviews with PRC government security analysts and academics, Nov. 1998 and May 1999.

[12] Author interviews with government think-tank analysts and academics, Beijing and Shanghai, Nov. 1998 and May 1999. China's chief arms control negotiator, Sha Zukang, consistently emphasizes the dangers of increased U.S.-Taiwan military cooperation and linkages for cross-strait and Sino-American relations. See, for example, Jim Mann, "U.S. Has Secretly Expanded Military Ties with Taiwan," *Los Angeles Times*, July 24, 1999.

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ing new and better missiles by claiming that they are necessary in order to maintain the political and military status quo in cross-strait relations.

For these reasons, other weapons systems, such as improved air-to-air missiles that can be strapped onto Taiwan's 150 F-16s and the defensive measures outlined above, would arguably be better, cheaper, and less provocative ways for Taiwan to minimize the danger of losing air superiority in a cross-strait battle. Air defense systems, including early warning radar and lower-tier TMD, are valuable assets against attack by the PLA air force, but very expensive. The acquisition of additional Patriot air defense batteries and associated radar systems alone could cost as much as 10–15 percent of Taiwan's defense budget over the next eight years.[13] Meaningful participation in upper-tier systems would be more expensive still and could severely undercut the ROC's ability to pursue these various other missions in a serious manner.

A most dangerous scenario could be created by any near-term commitment by Taiwan to a long-term TMD program. If the fears mainland analysts have expressed about the system are sincere, then this provides an argument within the PRC regime for creating a timetable within which Taiwan must commit to meaningful political moves toward reunification with the mainland. Judging from political rumors around Beijing, and reading between the lines of statements made by Chinese leaders (including Jiang Zemin during his trip to the United States), the mainland regime is growing impatient with the lack of progress in cross-strait negotiations and dissatisfied with the political status quo across the Taiwan Strait. This impatience was only exacerbated by the statements made in July by ROC president Lee Teng-hui and his deputies referring to cross-strait relations as being on a "state-to-state" basis. The growing anxiety in Beijing is probably also due to a change of heart among many leaders who have always been uncertain about what strategy to use in Taiwan policy, combined with the increasing strength of hawkish factions within the Communist Party and military. By announcing that perhaps ten years from now Taiwan will have upper-tier TMD capability as part of a U.S.-led system in the region, Taipei would be exacerbating the political and psychological trends feeding Beijing's impatience. TMD may be seen as another factor (in addition to generational changes in Taiwan and Taiwan's democratization) encouraging mainlanders to believe that brash action in the next ten years is necessary lest the mainland's leverage over Taiwan continue to decrease.

Given these factors, even if Taiwan reserved the option of getting involved in upper-tier TMD at some later date, it should publicly forgo participation until effective technologies exist. It would seem highly impru-

[13] Public reports estimate the costs of such a lower-tier system at $8–10 billion over the next eight years. Author's discussions with American security analysts. See also *Taipei Chung-kuo Shih Pao* (China Times), Apr. 6, 1999.

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dent for Taipei to announce now that it will participate in a program that may never benefit Taiwan militarily—and not in the next several years in any case—but will certainly prove worrisome to observers on the mainland. Taiwan's participation in the program could conceivably be defended if it sped up the successful development of TMD systems, but no one has even attempted to prove that Taiwan's financial or technical contributions would have any significant impact on the pace of TMD development, which is almost entirely based in the United States. Even Japan's financial and technological contributions are not vital to the development program, according to knowledgeable American sources.

Regardless of whether or not Taiwan has an effective upper-tier TMD system at its own disposal in a crisis or conflict, its security will still rely on American help. It is simply unimaginable, given the geography and the difference in size between Taiwan and the mainland, that Taiwan would ever enjoy such an advantage in the cross-strait balance of power that it could forgo outside support in its effort to preserve its military, political, and economic security against a determined mainland.[14] U.S. support will thus be critical to Taiwan's survival with or without TMD capabilities based in Taiwan. Moreover, the United States and Japan are currently pursuing a navy theater-wide missile system for East Asia. NTW will be ship-based and mobile and allow missile-defense capabilities to move to the Taiwan area in a crisis. An optimistic Pentagon report argues that a single ship-based upper-tier system deployed near the island would be able to defend all of Taiwan against theater ballistic missile attack.[15] If this prediction is anywhere near accurate, Taiwan may get little added security from direct participation in a TMD system in any case. In a military conflict, the United States should be able to deploy at least one Japan-based missile defense ship to the Taiwan area in a timely fashion.

It is possible, of course, that American NTW defenses would be much more effective in combination with a TMD system that included sensors based on the island than they would alone. But such arguments have not been articulated in the public discussions of potential TMD architectures for East Asia. Moreover, even if TMD developers ultimately reached the conclusion that systems based in Taiwan would significantly enhance the effectiveness of the defense, there would be no added military value in Taipei's agreeing to join the program *now* rather than after it becomes clear that the American TMD development project will bear fruit and that Taiwan's participation would be valuable.

Although Taiwan may please its political allies in Congress and the

[14] One might add Japanese support to U.S. support here, though there are various reasons for Taiwan not to encourage Japan to play the role of an active security ally in a crisis. For a related discussion, see Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma."

[15] "Report to Congress on Theater Missile Defense Options for the Asia-Pacific Region."

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federal bureaucracy by agreeing to join the TMD program early, it is unclear what added political value this will have for Taipei. Despite the controversy surrounding President Clinton's "three no's" statements in Shanghai, few people in the Congress or executive branch would find it very palatable to abandon Taiwan in the face of an unprovoked Chinese missile threat or attack. Even the allegedly "pro-Beijing" President Clinton sent two aircraft carrier battle groups to the region in response to intimidating PLA missile exercises in March 1996.

Trying to manipulate domestic politics in the United States by agreeing to participate in the TMD program might even have negative consequences for Taiwan insofar as it feeds the simplistic logic suggesting that the United States can guarantee Taipei's defense without committing its own forces. The vast majority of Americans, including politicians, are not knowledgeable about East Asian strategic realities, and may be tempted to imagine TMD transfer as a cheap and risk-free way to fulfill America's commitment to Taiwan's defense under the 1979 Taiwan Relations Act. This may contribute to a type of strategic laziness or soft form of isolationism that would hardly serve Taiwan's security interests over the long run.

Since Taiwan will inevitably require American support in any military conflict with the mainland, it needs a broad range of Americans to view Taiwan not merely as the victim in a cross-strait conflict (meaning that Taipei must not be perceived as having provoked an avoidable conflict), but as a needy victim incapable of defending itself for long without significant American support. The acquisition of missile defenses thus may perversely make the island appear safer than it actually is in the eyes of the American public and leadership, to the detriment of Taiwan's security.

Acquiring missile defenses may actually harm Taiwan's security.

To be sure, alternative methods of countering the PRC missile threat, such as early launching of offensive missiles or use of a strike aircraft force to preempt PRC attacks on the mainland, may be even more costly for Taipei. Taiwan's strike weapons are unlikely to be effective against the PRC's large and diverse missile force, and using them would also make Taiwan appear to be the aggressor, thereby reducing Americans' willingness to accept the risks and costs of defending the island. Moreover, early launching of ROC strike aircraft against the mainland might play directly into the PRC's hands. In the future, the PLA may well possess sophisticated and multilayered air defense capabilities that would undermine Taiwan's air superiority over the strait if the ROC were to send aircraft over the mainland in a military conflict. But to argue that a preemptive strategy is an even worse option does not in and of itself justify participation in upper-tier TMD.[16]

[16] As one U.S. naval officer recently stated to the author, the Chinese mainland is a "cruise missile sponge," with so many potential targets that even America's large arsenal of strike weapons might easily be exhausted in

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Conclusions

For all of these reasons, Taiwan's near-term participation in America's developing upper-tier TMD program will arguably make Taiwan no safer militarily, may make China more worried about and provocative toward Taiwan, and may make Taiwan's critical unofficial ally, the United States, dangerously lethargic about the ways in which it would have to fulfill its commitments to guarantee regional peace and stability if push came to shove in cross-strait relations. Although there are some intelligent reasons for Taiwan to consider participating in the upper-tier TMD program and for the United States to consider including Taiwan in its development and deployment, the negatives outweigh the positives, particularly in the next several years.

a Sino-American conflict. If this is true, Taiwan could not hope to gain much security from its own strike weapons capability. Moreover, because Taiwan's strike weapons would become targets for PRC preemption and would encourage the PRC to fire larger initial salvos at Taiwan in a conflict, strike weapons based on Taiwan might actually make the island considerably less secure.

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Russia as Rogue Proliferator

by Stephen Blank

Although Russian leaders regularly deny it, the scope of Russian sales of dual-use and conventional technology and weapons indicates that Russia, as a matter of policy, is proliferating weapons of mass destruction (WMD). Such proliferation need not entail the shipment of actual warheads, but it does mean sales or transfers of rocket stages, missiles, launch-support technology, long-range missiles disguised as space-launch vehicles, and MIRV (multiple independent reentry vehicle) technology. Russia repeatedly violates its arms control and proliferation agreements, and the situation could quickly worsen as criminal organizations, officials, and maverick individuals have numerous opportunities to export these systems. Indeed, the supply and demand factors of this illicit commerce still appear in the Russian government's policy documents.[1]

Russia's Proliferation Policies

Such active proliferation carries great risks for Moscow—and not just vis-à-vis the United States. Whenever confronted with American protests, Moscow resorts to blackmail, threatening further proliferation if sanctions are imposed. Weapons sales to Iran have likewise poisoned Moscow's promising relations with Israel and contradict its stated interests in the Middle East, China, and South Asia in general.

Moscow allegedly opposes nuclear proliferation because of its vulnerability to proliferation-based threats. A 1995 report on proliferation by Russia's Foreign Intelligence Service (SVR) stated that the fate of the Nonproliferation Treaty (NPT) would affect Russia's security policy and interests. New nuclear states appearing across Eurasia would create a genuine threat,

[1] Vladimir Moskvin, "The Russian-Iranian Conundrum and Proliferation Concerns," *The Monitor*, Winter–Spring 1999, pp. 8–13.

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destabilize the "near abroad," and force Russia to revise its defense policy, including its nuclear component. Israel, Pakistan, and India, de facto nuclear powers that remain outside the treaty, are allegedly the main threat to nonproliferation since they can export WMD capability to other proliferators. Standing outside the NPT, proliferators cannot expect the international community to prevent their potential enemies' nuclearization. Accordingly, their exclusion from the NPT destabilizes their regions and stimulates their enemies to follow suit. Moscow should therefore not export WMD systems to Iran, Libya, Syria, or Iraq. The report ruled out supporting states pursuing a double standard toward "unofficial" nuclear countries, nuclear threshold states like Israel or Iran, or states seeking to acquire weapons, because such tactics would let them nuclearize further and trigger arms races among them and their rivals.[2] This policy accords with Russia's general stance toward conventional arms sales.[3] Allegedly Moscow exercised strong controls over arms sales that precluded covert arms sales abroad, including WMD.[4]

If this policy is to be taken seriously, then Russian authorities and analysts cannot claim that they are helpless to police exports of conventional or WMD systems and technologies, or hide behind businessmen's alleged lack of conscience or legal consciousness.[5] While producers' interest groups do seek "absolute" monopolistic authority to shape policies for their own benefit and justify this on grounds of "overriding national security expediency," the pervasive corruption of sales of conventional weapons and WMD systems amidst claims of strict controls point at two opposing, but compatible conclusions.[6] First, if claims of strict control are false, then Russia has lost the ability to safeguard its vital national interests. Corrupt military units and officers, the largest proliferators of conventional weapons, demonstrate how easy it is for "private" proliferators to circumvent official restrictions.[7] But if the government really does have the control it claims, then the massive corruption is taking place with officials' active knowledge and participation. The reality is

Putatively private nuclear transfers are in fact state supported.

[2] *Joint Publications Research Service, Arms Control* (henceforth, JPRS-TAC), 95-009-L, Apr. 6, 1995, pp. 1–7.

[3] Admiral Valentin Yegorovich Selivanov (Chief of Staff of the Navy), "A Navy's Job," *Naval Forces*, vol. 15, no. 2 (1994), p. 31.

[4] Pavel Felgengauer, "An Uneasy Partnership: Sino-Russian Defense Cooperation and Arms Sales," in *Russia in the World Arms Trade*, ed. Andrew J. Pierre and Dmitri V. Trenin (Washington, D.C.: Carnegie Endowment for International Peace, 1997), pp. 87–105; *Foreign Broadcast Information Service, Central Eurasia* (henceforth, FBIS-SOV), 98–041, Feb. 12, 1998, from *Segodnya*, Feb. 10, 1998.

[5] David S. Cloud, "Warheadache," *The New Republic*, Apr. 20, 1998, pp. 11–12; FBIS-SOV-98-194, July 15, 1998, from *ITAR-TASS World Service*, July 13, 1998.

[6] Andrei Kortunov and Andrei Shumikhin, "Russia: Changing Attitudes Toward Proliferation of Missiles and Weapons of Mass Destruction," *Comparative Strategy*, Apr. 1996, pp. 163–64.

[7] Graham H. Turbiville, Jr., "Weapons Proliferation and Organized Crime: The Russian Military and Security Forces Dimension," *Occasional Papers of the Institute for National Security Studies*, no. 10 (Colorado Springs: U.S. Air Force Academy, June 1996).

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a blend of pervasive private corruption, active state connivance, and strict official prohibitions meant for foreign consumption.

Thus, the putatively private transfers of nuclear weapons or components to such countries as Iran, China, Iraq, and India are in fact state supported. High-level officials such as the ministers of defense and atomic energy approve sales of systems for purposes other than saving jobs and defense plants. Some even admit their skepticism about a true market economy that would challenge their monopoly.[8] The extent of sales of dual-use and WMD systems suggests both a deliberate policy to sell WMD abroad and the incentive of private gain.[9] Nor are Iran, China, Iraq, and India the only recipients. Moscow is discussing selling light-water reactors to Cuba, Syria, and Libya, sales that are legitimate under international accords, but seriously disturb Washington and the Middle East.[10]

The Reality of Russian Proliferation

Russia's arms sales to Iran exemplify the problem. Although Russian officials know that the militantly Islamicist regime in Tehran is building atomic weapons, they nevertheless assist Iran's nuclear and missile programs even as they deny their existence.[11] Warning against Iranian proliferation, the SVR also complained that NPT restrictions and U.S. objections to Iran's access to nuclear materials are purely political since the Russian reactor "cannot be used for producing weapons," and the International Atomic Energy Association (IAEA) has cited no Iranian violations. Therefore, assistance to Iran will continue.[12]

Government reports also consistently deny that Russians feel threatened by proliferation. Fighting proliferation ranks low on the agendas of top officials confronting economic collapse, organized crime, and regional secession movements, and in any case, they shrug, it is the job of the United Nations to identify proliferators. Russia opposes export controls other than those imposed by the United Nations and IAEA and claims that, since neither Baghdad nor Tehran is going nuclear, Iraq's "nuclear file" should also be closed and inspections should cease. Pursuing its interests, Russia espouses

[8] FBIS-SOV, Mar. 19, 1999, from *Yaderny Kontrol*, Mar.–Apr. 1999.

[9] See, e.g., Al J. Venter, "Enemies and Allies in the Land of Assad," *Jane's Intelligence Review*, Apr. 1998, p. 30.

[10] Matthew Brzezinski, "U.S. Frets Over Plan to Complete Reactor in Cuba," *Wall Street Journal*, Apr. 1, 1998; *FBIS, Near East and South Asia* (henceforth, FBIS-NES), 98-084, Mar. 27, 1998, from *Chennai Dinamani* (Internet version), Mar. 25, 1998; FBIS-SOV-98-070, Mar. 12, 1998, from *Moskovskiye Novosti*, Mar. 8–15, 1998; FBIS-SOV-98-076, Mar. 18, 1998, from *Interfax*, Mar. 17, 1998; FBIS-SOV-98-077, Mar. 19, 1998, from *Nezavisimaya Gazeta*, Mar. 17, 1998.

[11] JPRS-TAC, 95-009-L, Apr. 6, 1995, p. 7; FBIS-NES, May 25, 1998, from *Iran Daily*, May 13, 1998.

[12] One of the first in this continuing series of arguments is JPRS-TAC, 95-009-L, Apr. 6, 1995. See also "The Non-Proliferation Treaty Must Be Prolonged," *Moscow News*, Apr. 21–27, 1995, p. 13; FBIS-SOV, Aug. 28, 1998, from *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, July 1998.

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engaging "rogue states" to confront proliferation issues and opposes multilateral accords and sanctions because they are thought to be too politicized.[13]

Russia also considers U.S. policy hypocritical in that it seeks to bar Russian export to Iran of the same sort of reactor the United States exported to North Korea.[14] When Iran's difficulties forced it to ask Russia to take over its Bushehr reactor as a turnkey operation, Russia agreed to build three more reactors, denying that they had any relevance to Iran's nuclear weapons project or that Russians would teach Iranian scientists how to make weapons.[15] However, U.S. and Israeli intelligence had reported that Iran is within two to five years of a nuclear-armed missile capability.[16] In March 1998 Yevgenia Albats revealed that Russia had assisted Iran's work on intercontinental ballistic missiles (ICBMs) that could target all of Europe and the eastern United States.[17] Russian firms also want to sell Iran a forty-megawatt heavy-water research reactor and a uranium conversion facility—signifying an intention to build nuclear weapons—at a knockdown price of a few hundred thousand dollars as a "loss leader" to get Iran to buy other products. "That the Russians would take such chances, and especially for small amounts of cash," observes the *Wall Street Journal*, "is a measure of both the desperation and the arrogance of Russia's all-powerful Ministry of Atomic Energy, better known as Minatom."[18] The Rumsfeld Commission echoed these warnings, citing the great strides made by Iran in ballistic missile development thanks to Chinese, North Korean, and Russian help.[19] Albats demonstrated that Russia's Federal Security Service (FSB), state commissions on nonproliferation and science and technology, the Ministry of Foreign Affairs, and probably the Ministry of Defense coordinated and participated in projects, sending Russian scientists to Iran to help that country develop its intermediate range and intercontinental ballistic missile capability.[20] Since many of the scientific-technological institutions helping Iran have close connections with the government (for instance, atomic energy minister Yevgeny Adamov's Nikiet institute for reactor designs), are under its authority, or claim that they informed the government of sales to Iran, the reality of state involvement

[13] Michael Beck, "Russia's Rationale for Developing Export Controls," in *Arms on the Market: Reducing the Risk of Proliferation in the Former Soviet Union*, ed. Gary K. Bertsch and Suzette R. Grillot (New York: Routledge, 1998), pp. 37–38, 49; FBIS-SOV, Aug. 28, 1998, from *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, July 1998.

[14] Ibid.

[15] FBIS-SOV, Dec. 1, 1998, *Russian Television Network*, Nov. 25, 1998.

[16] Bill Gertz, "Pentagon Confirms Details on Iranian Missiles," *Washington Times*, Mar. 27, 1998; "Iran's Nuclear Programme: Scary or Not?" *The Economist*, Mar. 14, 1998, p. 50; FBIS-NES, from *Ma'ariv*, Dec. 9, 1998.

[17] *FBIS, Arms Control* (henceforth, FBIS-TAC) 98-076, Mar. 17, 1998, from *Novaya Gazeta Ponedelnik*, Mar. 16–22, 1998.

[18] Carla Anne Robbins and Andrew Higgins, "Money Hungry, Russia Finds a Foreign Market for Nuclear Knowledge," *Wall Street Journal*, Dec. 15, 1998.

[19] *Executive Summary of the Report of the Commission to Assess the Ballistic Missile Threat to the United States*, July 15, 1998, 104th Congress (Washington, D.C.: U.S. Government Printing Office).

[20] FBIS-TAC-98-076, Mar. 17, 1998.

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seems undeniable.[21] By 1998 Moscow had transferred production technology and testing of the rocket engine for the SS-4 missile in violation of the Missile Technology Control Regime (MTCR), built the reactor at Bushehr, and provided scientific training in Russia to Iranian scientists.[22] Because the SS-4 is ineffective, inaccurate, and carries small payloads, it requires WMD payloads to be a true threat.[23] The Bushehr project comprises four reactors and turbines that Russia is expected to provide, plus more military technology and weapons.[24]

Russia is also helping Iran develop a national communications satellite with an earth-monitoring capability—critical to the targeting of missiles. The firm doing this work, the Spurt Science and Production Center, is known to work on classified space programs. The space apparatus is being developed by the Reutov Mashinostroyenie Science and Production Association, which used to develop ballistic and cruise missiles and military space systems for the Soviet Union. The Izhevsk radio plant and the Aksion Joint Stock Company also regularly participated in Soviet space programs. Russia knows this is a dual-use system, that Iran will have exclusive control once it is designed, and that completion of the satellite will take two to three years from the signing of contracts.[25] Russia reportedly will soon demonstrate gas centrifuges that are vital to the construction of atomic bombs and will sell Iran the necessary tritium.[26] In 1995 U.S. pressure led President Boris Yeltsin to kill the gas centrifuge deal, so the 1998 transactions are in clear violation of Yeltsin's promise to President Clinton to terminate nuclear sales to Iran. But whenever U.S. authorities confront Moscow with evidence of its violations of the MTCR and other agreements, they encounter disdain and systematic lying.[27]

Russia has found no shortage of explanations for its actions. Already in 1992, Russian officials were justifying arms sales to Iran as necessary to deter Iranian support for Islamic political movements in the Commonwealth of Independent States.[28] The SVR even stated that sales of light-water and other reactors to Iran and North Korea demonstrated nuclear cooperation and therefore constituted not a violation, but a *fulfillment* of the NPT.[29] But the more convincing explanations relate to Moscow's loss of prominence in

[21] Kenneth Katzman, "Iran's Long-Range Missile Capabilities," *Report of the Commission to Assess the Ballistic Missile Threat to the United States*, Appendix III, Unclassified Working Papers, pp. 198–99; David Fillipov, "What US Calls Arms Proliferation, Russia Firm Calls Business as Usual," *Boston Globe*, Aug. 19, 1998.

[22] FBIS-TAC-97-295, Oct. 23, 1997, from *Komsomolskaya Pravda*, Oct. 22, 1997.

[23] Katzman, "Iran's Capabilities," pp. 197–202.

[24] FBIS-SOV, May 13, 1998, from *Radiostantsiya Ekho Moskvy*, May 11, 1998; *FBIS, Military Affairs* (henceforth, FBIS-UMA), 98-075, Mar. 17, 1998, from *ITAR-TASS World Service*, Mar. 16, 1998; FBIS-TAC-98-076, Mar. 17, 1998.

[25] FBIS-SOV-98-056, Mar. 2, 1998, from *Russkiy Telegraf*, Feb. 25, 1998.

[26] FBIS-TAC-98-057, Mar. 2, 1998, from *Izvestiya*, Feb. 27, 1998.

[27] Robbins and Higgins, "Money Hungry."

[28] FBIS-SOV-95-105, June 1, 1995, from *The Guardian*, May 31, 1995; Stephen Blank, "Russia and Iran in a New Middle East," *Mediterranean Quarterly*, Fall 1992, pp. 124–27.

[29] JPRS-TAC, 95-009-L, Apr. 6, 1995, p. 7.

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world affairs and its efforts to reclaim a sizable role for itself. Russia evidently needs Iranian cooperation on such issues as control of Caspian Sea oil, stabilization of Central Asia and Transcaucasia, and diplomacy in the Persian Gulf, and it joined the consortium that sold Pyongyang its reactors in order to gain a foothold in the Korean peace process. Moscow also urges withdrawal of U.S. forces from the Persian Gulf and aims to create a pro-Russian bloc there, apparently hoping to compel Washington to admit Russia into the Arab-Israeli peace process and regional security relationships as an equal player. This quest to recover lost status in the Middle East at least partially explains Russia's support for the conventional and WMD military programs of Iran, Iraq, Libya, Sudan, and Syria.[30]

But Minatom's need to generate income for itself also drives these sales, since aggressive exports constitute its only hope for the new contracts and cash it needs to pay its workers. The ministry's unsavory banking connections and various bankers' interest in cornering the nuclear materials market also have disturbing implications.[31] Adamov, the atomic energy minister, has personally organized a chain of shadowy holding companies in Russia and abroad, and stands at the center of a web of relationships involving some of Russia's most corrupt players, such as Boris Berezovsky and the banks that contend for Minatom's cash reserves.[32] Reactor sales thus reflect both state policy and the privatization of technology transfer.

The China Syndrome

The sales to Iran, however, are far from an anomaly, because Russia's irresponsible policy is just as evident toward China. The defense industry and Minatom depend heavily on the big Chinese market, and state organizations have sold China many conventional and dual-use weapons and technologies.[33] Former defense minister Pavel Grachev established autonomous sales agencies under his control, and in 1995 military space authorities under his authority sold China three of Russia's most advanced upper-stage rocket engines. The sale violated the MTCR and completely side-stepped NPO Energiamash, the only legal entity licensed to sell these engines. Conventional weapons sales have followed similar patterns.[34]

Most importantly, while Russians know that China and Iran could

[30] Stephen Blank, "Russia's Return to Mideast Diplomacy," *Orbis*, Fall 1996, pp. 517–35; Robbins and Higgins, "Money Hungry."

[31] FBIS-SOV, May 4, 1998; FBIS-SOV, Dec. 1, 1998, from *NTV*, Nov. 25, 1998; FBIS-SOV-98-141, May 22, 1998, from *RIA*, May 20, 1998.

[32] Ibid. See also FBIS-SOV, Dec. 16, 1998.

[33] Stephen Blank, *The Dynamics of Russian Weapons Sales to China* (Carlisle Barracks, Pa.: Strategic Studies Institute, U.S. Army War College, 1997); Felgengauer, "An Uneasy Partnership," pp. 87–105.

[34] *Military Space*, Aug. 21, 1995, p. 1; FBIS-SOV-96-140, July 19, 1996, from *Kommersant-Daily*, July 18, 1996.

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eventually threaten them, they believe this will not happen anytime soon.[35] Rather, their weapons sales are part of an overall strategy to *appease* these potential adversaries and manage their emergence as military-technological powers by leveraging their sources of supply. This strategy admittedly resembles the current American rationale for exporting dual-use and high-tech systems abroad. Foreign sales support the U.S. defense industry, and so long as it provides foreigners with existing or older weapons systems, the United States preserves its technological lead even as it makes other states dependent on American supply.[36] Since Russian policymakers expect Iran and China to pursue military buildups with or without Russian assistance, their strategy is by no means irrational. But it is still extremely dangerous, given Russia's own protracted stagnation. Strapped for research and development funds, the Russian defense industry may not be able to maintain superiority over potential adversaries and could be forced to rely on aging nuclear weapons and command, control, and intelligence systems.

Russia has sold the SS-18 and SS-19 control and guidance systems to China for its DF-31 and DF-41 missiles and is upgrading Chinese conventional and nuclear submarines, which now include Kilo-class boats purchased from Russia. Whole factories were transferred to China to make parts for the Topol-M (SS-27) mobile ICBM, and Russia is also helping to develop a new generation of Chinese SSNs and SSBNs (subsurface nuclear submarines and subsurface ballistic nuclear missiles), the new 093 and 094 attack and missile submarines. Russia has also helped the Chinese to coat their submarine hulls with a layer of anechoic tiles that reduce their sound signature to avoid detection. These submarines compare favorably with the American Victor III–class SSNs and should become operational by 2007. There are also reports of sales of parts for Russia's mobile SS-24 and SS-25 TELs (transporter, erector, launchers for nuclear missiles), and blocking devices that will facilitate the combat readiness of China's missiles. Russia also sold China mobile, multiple-warhead, high-accuracy solid and liquid propellant technology to increase Chinese ICBMs' accuracy.[37] In addition, there are indications of plans to build

[35] Blank, *The Dynamics of Russian Weapons Sales to China*, pp. 18–19; "Far East: China," *Current Digest of the Post-Soviet Press*, Aug. 21, 1996, pp. 20–22.

[36] Michael Hirsh, "The Great Technology Giveaway?" *Foreign Affairs*, Sept./Oct. 1998, pp. 2–9.

[37] Stephen Blank, *Russian Arms Sales to China, Issues and Outcomes*, paper presented to the CAPP-RAND Conference on China's Foreign Arms Suppliers, Oxford, England, June 26–29, 1997; "Top Secret Arms and Nuclear Deals," *Asia Times*, June 30, 1997, from *Johnson's Russia List* (djohnson@erols.com), July 1, 1997; Bill Gertz, "Russia Sells China High-Tech Artillery," *Washington Times*, July 3, 1997; *Strategic Survey, 1996–97* (London: International Institute of Strategic Studies, 1997), p. 170; Richard D. Fisher, Jr., "Foreign Arms Acquisition and PLA Modernization," unpublished paper, Nov. 1997, pp. 4–5; personal communication from Peter Pry of the House National Security Committee staff, Mar. 1998; *FBIS, China* (henceforth, FBIS-CHI), 98-065, Mar. 9, 1998, from *Jianchuan Zhishi*, no. 10, 1997; Bruce G. Blair, *Global Zero Alert for Nuclear Forces*, PRAC Paper No. 13, Dec. 1994, Project on Rethinking Arms Control, Center for International and Security Studies at Maryland, School of Public Affairs, University of Maryland at College Park, p. 7; Henry Sokolski, "Space Technology Transfers and Missile Proliferation," *Report of the Commission to Assess the Ballistic Missile Threat*, pp. 303–15; Richard H. Speier, Testimony Before the Subcommittee on International Security Proliferation and Federal Services, Committee on

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up to fifty nuclear reactors for China.[38] More recently Russia announced plans to expand its program of teaching Indian and Chinese nuclear physicists.[39]

Moscow calmly contemplates China's military rise and will assist it as long as the Chinese pay cash. Russian sources claim that they do not sell their best technology and that they even have a healthy contempt for the People's Liberation Army (PLA), but in reality Russian arms purveyors boast of selling top-of-the-line equipment "on the basis of national interest."[40] In October 1998 the defense minister, General Igor Sergeyev, agreed to help develop China's high-precision weapons systems and transfer more production licenses to China. The record confirms that Moscow has repeatedly reversed decisions that barred sale of advanced systems to China, and some sources even estimate that the two states already cooperate on over one hundred defense projects.[41]

For its part, China has a whole host of reasons to pursue rapprochement with Russia. Beijing is exploring nuclear warfighting scenarios and rethinking its no-first-use policy as it moves towards ideas of deterrence and limited nuclear war. The Pentagon has also identified China's interest in acquiring laser satellite and antisatellite capability targeted against U.S. systems. Russia's sales of technology for these systems violate the MTCR and wittingly enhance China's nuclear capabilities vis-à-vis U.S. forces, allies, and civilians. China also wants to upgrade its ICBMs, modernize its army and navy, improve its air defense, build an antiballistic missile defense, and prepare for manned space flights. In 1995–96 Chinese engineers vainly sought to buy drawings of the R-36 (SS-18 Satan) MIRVed missile with high-performance characteristics and specifications. A modified R-36 MU "Tsiklon" booster rocket is being used to insert heavy cargoes into orbit. China also seeks high-precision technologies for adaptation to missile and radar systems. Reportedly Russia gave China technology that reduces the signature of cruise missiles and aircraft. Chinese astronauts train at Russian sites, and the two countries are discussing joint work on space missions and orbital stations. Finally, there are unconfirmed reports that China seeks to build an automated command and control system based on Russian technology for its nuclear forces.[42]

Governmental Affairs, U.S. Senate, June 5, 1997.

[38] Nikolai Novichkov, "Russia and China Tighten Links on Military Projects," *Jane's Defence Weekly*, Aug. 19, 1998, p. 3.

[39] FBIS-TAC-97-295, Oct. 23, 1997; FBIS-SOV, Nov. 29, 1998, from *RIA*, Nov. 26, 1998.

[40] John Pomfret, "Russia and China, Allies Once Again?" *Washington Post National Weekly Edition*, Nov. 30, 1998, p. 16; FBIS-SOV-98-077, Mar. 18, 1998, from *Nezavisimaya Gazeta*; FBIS-SOV-96-028-S, May 1, 1996, from *Segodnya*, Dec. 14, 1995.

[41] Andrei Pinkov, "China Shops for More Russian Arms," *International Defense Review*, Sept. 1996, p. 9; FBIS-CHI-96-083, Apr. 29, 1996, from *Sankei Shimbun*, Apr. 25, 1996. The 100 projects figure is from a personal communication from William Triplett.

[42] Barbara Opall-Rome, "DOD Rings Alarm on Chinese Antisatellite Plans," *Defense News*, Nov. 2–8, 1998, p. 6; Paul Richter, "China May Seek Satellite Laser, Pentagon Warns," *Los Angeles Times*, Nov. 28, 1998; FBIS-SOV,

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Launching India into Orbit

A similar strategic myopia appears in Russia's efforts to build on its traditional friendship with India and retain long-term access to India's large defense market. To be sure, Moscow ostensibly deplores India's nuclearization, but, as with Iran and China, it also abets it. Russia provided technology and support for India's Sagarika submarine-launched ballistic missile (SLBM) and will help India integrate an enriched-uranium reactor to power the submarine. This will greatly escalate South Asia's arms race by giving India the potential for a full triad of nuclear delivery systems as yet beyond the reach of China and Pakistan. India's navy shows much interest in other submarine projects as well. Recently its Parliamentary Standing Committee on Defense advocated building nuclear submarines carrying SLBMs to counter China's sea- and land-based deterrents that allegedly give China an "unlimited bargaining capacity" abroad and facilitate China's power-projection capability in the Bay of Bengal.[43]

Nor is this the only Russian sale to India that violates the MTCR. The 1997 announcement that Russia would sell India two 1000-megawatt VVER-type reactors violated the Nuclear Suppliers' Group membership rules that mandate full-scope international safeguards on all facilities as a condition of nuclear export. In 1993 Glavkosmos, Russia's space agency, sold the Indian Scientific Research Organization (ISRO) over 80 percent of the production technology and several prototypes for cryogenic upper rocket stages, thereby violating the MTCR. Russia's agreement with ISRO obligates it to transfer three upper-stage engines, teach India how to make them, and continue assisting until India successfully launches an upper stage on top of its space launch vehicle. Therefore, Russia must encourage the integration and validation of India's upper-stage guidance system with its first, second, and third propulsion systems to assure this success—clear violations of the MTCR.[44] This transfer assures completion of India's missile and space booster and guidance systems and will significantly increase Indian missile accuracy. The cryogenic engines also enable India to upgrade storable liquid rocket engines on its missiles as India's missile program routinely adapts previously developed space technology to new applications.[45]

Nov. 19, 1998, from *Yaderny Kontrol*, July–Aug. 1998.

[43] Steven Lee Myers, "Russia Helping India Extend Range of Missiles, Aides Say," *New York Times*, Apr. 27, 1998; FBIS-NES, Dec. 23, 1998, from *Deccan Herald* (Internet version), Dec. 23, 1998; Major General Dipankar Bannerjee (Ret.), "South Asian Nuclear and Missile Environment," *Asian Defence Journal*, Nov. 1998, p. 8; Interview with the Indian Navy's Chief of Staff, Admiral Vishnu Baghwat, *Jane's Defence Weekly*, July 29, 1998, p. 32; FBIS-NES, Dec. 21, 1998, from Agence France-Presse, Dec. 21, 1998.

[44] Sokolski, "Space Technology Transfers," pp. 303–16.

[45] David R. Tanks, "Ballistic Missiles in South Asia: Are ICBMs A Future Possibility?" *Report of the Commission to Assess the Ballistic Missile Threat*, pp. 320–23; FBIS-SOV, Dec. 23, 1998, from *ITAR-TASS*, Dec. 23, 1998; FBIS-NES, Dec. 23, 1998, from *The Asian Age*, Dec. 23, 1998; Vivek Raghuvanshi, "Russia Invites India To Shop for Arms," *Defense News*, Mar. 11–17, 1996, p. 10.

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Because sales to India and China represent 60–70 percent of Russian arms exports, Russian strategy and its defense industry's desperation apparently push policy in the same direction. Minatom probably supported Primakov's "strategic triangle" gambit in hopes of selling weapons and dual-use technology to China and India alike. In 1996 Russian officials virtually granted India carte blanche to buy anything it wanted. Moscow also undermined U.S. efforts to organize sanctions against India following the May 1998 nuclear tests by selling India a nuclear reactor and announcing long-term conventional weapons deals that culminated in Primakov's agreement to give India opportunities for joint production of state-of-the-art Russian systems.[46] New deals can be expected for years to come. But the questions remain as to why, other than making a few rubles and thumbing their noses at Washington, Russia endangers its friendship with China, foments a South Asian arms race, and risks losing U.S. support by abetting regional rivalries. Perhaps to put a benign face on such perfidy, then–Prime Minister Yevgeny Primakov called for an Indo-Chinese-Russian strategic partnership. Not surprisingly, New Delhi and Beijing demurred.[47]

Saddam Hussein's Only Friend

Similarly, what does Russia gain by undermining the Iraqi sanctions regime? Russia's provision of gyroscopes and other equipment clearly earmarked for Iraqi nuclear missiles in 1995 is the most incriminating case of state support for proliferation, despite its solemn claims of compliance with international accords. Not only were gyroscopes and a table used to measure guidance instruments found in Jordan, but inspectors with the U.N. Special Committee (UNSCOM) also found gas pressure regulators, accelerometers, and gimbal position indicators in Iraq at the bottom of the Tigris River. Beginning in 1993, an Iraqi agent, Wi'am Gharbiya, arranged meetings at Russian nuclear installations, received offers from the Sergeyev Posad dismantlement facility (NIKhSM) to sell high-precision gyroscopes and accelerometers, and funneled potentiometers and tachometers through Jordan to Iraq. The following year he arranged high-level meetings between Iraqi generals and Russian officials at as many as seven missile design and production facilities that led to bilateral protocols for provision of missile technology and services.

These accords stipulated Russian transfer of missile engines, as well as design, training, technology, and manufacturing equipment for engines, airframes, and guidance and control systems. Russians were ready to offer the most advanced technology if payment could be guaranteed. The Mars Rotor

[46] Vivek Raghuvanshi, "Russia Will Continue Defense Ties With India," *Defense News*, Sept. 14–20, 1998, p. 41; Raghuvanshi, "Russia Invites India."

[47] *Radio Free Europe/Radio Liberty Newsline*, Dec. 22, 1998.

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Company was willing to provide guidance system manufacturing equipment and send Russian experts to Baghdad to certify the equipment and train Iraqis in its use. Energomash would transfer the technology for two types of advanced liquid-propellant missile engines (including production equipment), a complete rocket engine with a four-ton thrust, and five samples (with blueprints) of a propulsion system for a "communication satellite" of the same size as the payload for a Scud-derived intermediate-range ballistic missile. The Russians also agreed to the design, production, and testing of modern rocket engines and to begin a joint project to design a rocket engine. Officials assured the Iraqis they did not need governmental approval because they could bribe the appropriate people. In 1995 Gharbiya completed the deal for the gyroscopes with NIKhSM and took possession of them along with accelerometers that had been transferred to another Russian company, SPM-Systema. A Nigerian-run Russian company, Nisov Investment, handled the necessary customs work for exporting the equipment. After U.N. inspectors discovered the gyroscopes and other items, a Russian investigation was launched, but it ended inconclusively, inhibited by loopholes in Russian legislation. And although the criminal code contains harsh penalties for exporting WMD, high-ranking officials employed fraudulent documentation or resorted to perjury to quash the inquiry.[48]

We cannot know the extent to which Russian technology aided Iraq's WMD programs, but it is probable that UNSCOM did not find most of the items shipped. Nor has Iraq stopped trying to buy more components. Reports of new efforts in 1997 to procure Russian guidance systems that uncannily resembled those sought by Gharbiya have surfaced.[49] Indeed, the National Security Agency has publicly claimed to have solid evidence that Saddam Hussein bribed Primakov, and the Rumsfeld Commission reported that these systems could be easily enhanced to allow longer-range tests and build longer-range missiles.[50]

Chemical and Biological Exports

Russia also continues to stoke the proliferation of chemical and biological weapons. While the extent to which the Russian government controls its scientists and officials remains unclear, the scale of its chemical and biological warfare programs is indisputable, despite official decrees and

[48] Vladimir Orlov and William C. Potter, "The Mystery of the Sunken Gyros," *The Bulletin of the Atomic Scientists*, Nov.–Dec. 1998, pp. 34–39.

[49] Ibid.

[50] Seymour Hersh, "Saddam's Best Friend," *The New Yorker*, Apr. 5, 1999, pp. 32–41; Office of the Secretary of Defense, *Proliferation: Threat and Response* (Washington, D.C.: U.S. Government Printing Office, 1997), p. 47; Bruce R. Auster, "Should America Worry About Missiles Again?" *U.S. News and World Report*, July 27, 1998, p. 25.

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treaties to the contrary.[51] General Stanislav Petrov, commander of the Ministry of Defense's chemical, biological, and radiation protection troops, stated that since someone will probably use these weapons someday and anyone can quickly convert civilian technologies into WMD, Russia must preserve its capability to make such weapons and defend against them.[52] Indeed, Moscow claims it cannot afford to dismantle its chemical weapons systems without foreign aid and will not do so otherwise. There are also unconfirmed reports that Russia retains Soviet chemical weapons produced in violation of treaties with Washington.[53]

Since those responsible for biological and chemical warfare programs have long flouted state authority, it is unclear if Moscow can prevent them from exporting the potential for these plagues. Many states seek these systems, particularly in the Middle East, where every major state has a chemical and/or biological warfare program and seeks missiles to obtain a delivery capacity. Reports of Iraqi-Russian discussions in 1998 on exporting biological weapons technologies are especially alarming.[54] Former Israeli minister of defense Yitzhak Mordechai charged Moscow with selling chemical weapons to Syria, and General Anatoly Kuntsevich, former commander of Russia's chemical troops, was arrested in 1995 for unauthorized sales of chemical agents. Evidently he was acting on his own account and may be responsible for Syria's adding chemical droplets to its Scud missile warheads in 1997.[55] Kuntsevich's continued leadership of a major Russian chemical concern testifies to the dangers of private dealers' activities.

Nor does the recklessness end there. Russia has violated the Conventional Forces in Europe treaty and the Tashkent collective security treaty among CIS members by transferring weapons worth $1 billion to Armenia for use in the Nagorno-Karabakh war. Russia covertly supplied rocket casings and other parts for Brazil's VLS rocket project and transferred North Korean Scud launchers and TELs to Syria in 1993.[56] The pattern of reckless and complicitous state behavior goes on and on.

[51] *Proliferation: Threat and Response*, p. 44; D. L. Averre, "The Mirzoyanov Affair: Russia's 'Military-Chemical' Complex," *European Security*, Summer 1995, pp. 273–305; Ken Alibekov, "Russia's Deadly Expertise," *New York Times*, Mar. 27, 1998; Richard Preston, "Annals of Warfare: The Bioweaponeers," *The New Yorker*, Mar. 9, 1998, pp. 52–65; Milton Leitenberg, "Biological Weapons Arms Control," *Contemporary Security Policy*, Apr. 1996, pp. 1–79.

[52] FBIS-SOV, Nov. 27, 1998, from *ITAR-TASS*, Nov. 27, 1998.

[53] Derek Averre and Igor Khripunov, "Russian Chemdemil: Coaxing Communities," *Jane's Intelligence Review*, June 1997, pp. 257–59; David Hoffman, "Soviets Reportedly Built Chemical Weapon Despite Pact with U.S.," *Washington Post*, Aug. 16, 1998.

[54] Anthony H. Cordesman, *Transnational Threats From the Middle East: Crying Wolf or Crying Havoc?* (Carlisle Barracks, Pa.: Strategic Studies Institute, U.S. Army War College, 1999), pp. 95–170; R. Jeffrey Smith, "Did Russia Sell Iraq Germ Warfare Equipment?" *Washington Post*, Feb. 12, 1998; R. Jeffrey Smith, "Russians Admit Firms Met Iraqis," *Washington Post*, Feb. 18, 1998.

[55] Venter, "Enemies and Allies."

[56] Sokolski, "Space Technology Transfers," pp. 311–14; Speier, Testimony, June 5, 1997.

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The Future May Only Be Worse

Four factors could lead Russia into further proliferation adventures: the continuing erosion of the central authority and the "privatization" of the state; acquisition of control over nuclear, biological, and chemical materials and missiles by criminal elements; the failure of military reform; and the emergence of a foreign challenge that obligates Russia to sell systems abroad. The arms trade's pervasive corruption makes clandestine proliferation more likely than ever, but pressure for open proliferation is also growing. As U.S. studies warn, "failed states" facilitate criminalization, as does competition among government agencies for arms sales that can channel cash to influential figures or impoverished factories.[57] Factories allegedly use the money earned from arms exports to pay wages and maintain their firms, but bosses are more likely to divert much of the proceeds into private accounts. Meanwhile, defense industries constantly pressure the government for licenses to trade without supervision, inevitably breeding corruption that pervades other agencies, especially the military.[58]

What appears to have happened in "democratic" Russia is the wholesale takeover of key domains of foreign, defense, and economic policy by diverse lobbies hoping to rescue themselves at the expense of Russia's civilian reconstruction and long-term strategic interests. That is not to say that Russia sells weapons and technology exclusively for private gain; Primakov, his deputy prime minister Yuri Maslyukov, and their successors have all advocated arms sales for the usual "national" reasons. But Maslyukov, for instance, also wanted to recast the Ministry of Industry and Trade into a giant state organization under his control and with responsibility for all defense, nuclear, and space industries, raising the question of where the national interest left off and political and personal interests took over.[59] Defense Minister Sergeyev, in turn, advanced a strategic plan urging the defense

[57] Stephen Blank, "Who's Minding the State? The Failure of Russian Security Policy," *Problems of Post-Communism*, Mar.–Apr. 1998, pp. 3–11; Michael McFaul, "Russia's 'Privatized' State as an Impediment to Democratic Consolidation, Part I," *Security Dialogue*, vol. 29, no. 2 (1998), pp. 191–99; Yegor Gaidar, "How Nomenklatura Privatized Its Power," *Russian Politics and Law*, Jan.–Feb. 1996, p. 35; Vladimir Brovkin, "Fragmentation of Authority and Privatization of the State From Gorbachev to Yeltsin," *Demokratizatsiia*, Summer 1998, pp. 504–17; *Russian Organized Crime* (Washington, D.C.: Center for Strategic and International Studies, 1997); Stephen Blank, *Challenging the New World Order: The Arms Transfer Policy of the Russian Republic* (Carlisle Barracks, Pa.: Strategic Studies Institute, U.S. Army War College, 1993), pp. 8–33; FBIS-SOV, Oct. 13, 1998, from *ITAR-TASS*, Oct. 13, 1998; Kimberley Marten Zisk, *Weapons, Culture and Self-Interest: Soviet Defense Managers in the New Russia* (New York: Columbia University Press, 1997), pp. 97–101, 128–29.

[58] Simon Saradzhiyan, "Russian Defense Minister Eyes Commercial Enterprises," *Defense News*, Oct. 12–18, 1998, p. 32; "Russia May Nationalize Industrial Complex Again," *Jane's Defence Weekly*, Sept. 30, 1998, p. 22.

[59] For Maslyukov's views, see his articles, "Voenno-Promyshlennyi Kompleks: Poka Degredatsiia eshche Obratima" (The military-industrial complex's degradation still continues), *Pravda*, Mar. 6–13, 1998, pp. 32–35; and "Oboronnomu Kompleks Nado Pomoshch'" (The defense complex needs help), *VTS*, Jan. 19–25, 1998, pp. 32–36, both made available to the author by Dr. Igor Khripunov of the University of Georgia. See also "Maslyukov Takes Over Arms Sales," *Current Digest of the Post-Soviet Press*, Nov. 25, 1998, pp. 7–8.

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ministry to imitate China and organize its own commercial ventures selling surplus weapons, spare parts, and ammunition, and producing everything from military coat buttons to lubricants. And we know that Grachev's efforts to control Promexport, a state organization that exports surplus weaponry, ended in massive theft and fraud.[60]

The pressure to increase military exports reflects the defense sector's continuing crisis. The Russian Union of Industrialists and Entrepreneurs (RUIE) formulated a plan advocating "targeted loans [i.e., direct state subsidies] for high-tech exports," which clearly includes weapons.[61] This would admittedly depress the ruble and dump weapons abroad, but would be made possible by limiting the growth of domestic prices for fuel and energy, in effect transferring the fuel and energy complex's money to the military-industrial complex. If this plan or its elements become state policy, it would mark a major move toward militarization of the economy and the revival of statism. It would mean more weapons exports, wasteful energy consumption, interference in the economy, and a regression to some of the worst practices of the Soviet economy. In December 1998 the government's current issues panel discussed state support for exports. It learned that the only sectors capable of exporting are defense industries. But they cannot get working capital without bank loans backed by government guarantees that would allow the "bankers" to take over the defense industries. While the government is wary of giving such guarantees, key officials, even in the Ministry of Foreign Trade, continue to press for aerospace sales to India and China.[62] Naturally, the defense industry, lacking a domestic market, is eager to obtain any credits, orders, or guarantees it can, regardless of national security.

Minatom exemplifies this fusion of private and national interests. Its responsibilities include not just its employees' jobs, but a social welfare network that sustained the standard of living of all those associated with the Soviet Union's military and civilian nuclear installations. Adamov wants Minatom to become a global presence, a second Gazprom (the successful natural gas enterprise), and a revived version of the Soviet Ministry of "Medium Machine Building" (Minsredmash) that would control all Russian atomic programs.[63] But it could easily become still more criminalized or privatized, thanks to pressure from its banks, since the bankers apparently seek to control nuclear materials.[64]

Another factor that may, perversely, encourage proliferation is Russia's attempt to reform the military. Moscow is downsizing its forces and recasting their organizational tables to save money while hoping to maintain

[60] Saradzhiyan, "Russian Defense Minister Eyes Commercial Enterprises."

[61] "Russia May Nationalize Industrial Complex Again," p. 22.

[62] FBIS-SOV, Dec. 23, 1998, from *Rossiyskaya Gazeta*, Dec. 23, 1998, and *Kommersant*, Dec. 23, 1998.

[63] FBIS-SOV, Dec. 1, 1998, from *Nezavisimaya Gazeta*, Nov. 27, 1998.

[64] FBIS-SOV, May 4, 1998; FBIS-SOV, Dec. 1, 1998 (from NTV Nov. 25 note 40); FBIS-SOV, Dec. 16, 1998; FBIS-SOV, Nov. 27, 1998, from *Sovershenno Sekretno*, Nov. 11, 1998.

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its muscle through modernization. But Russia cannot afford to spend the 3.5 percent of gross national product (GNP) per year on military reform that Yeltsin promised in 1997 and thus can maintain neither its conventional forces nor its nuclear arsenal.[65] Since the 1999 draft budget allocated only 2.6 percent of GNP to defense, Sergeyev called it "lethal." Little improvement is expected, and what funds exist go mostly to nuclear, not conventional weaponry.[66] Russia can only replenish its nuclear arsenal and outfit a modern professional army of some fifteen divisions by selling even more weapons abroad. If it can no longer compete with the high-tech American, European, and other suppliers, then it has no alternative but to sell off old nuclear systems or dual-use systems. To take a single example, Minatom, which is now responsible for the disposal of spent fuel and the decommissioning of nuclear submarines, sells spent fuel for use in India's fast-breeder reactor.[67] Increasing sales abroad appear even more attractive if Moscow decides that Washington seeks to abrogate or nullify the 1972 Antiballistic Missile (ABM) treaty.[68] Since Russia cannot keep pace with American strategic systems, it may hope to raise cash and confound U.S. missile defense planners by selling missiles abroad and multiplying the potential sources of nuclear attack. An additional incentive for such sales is that 60–70 percent of existing nuclear weapons systems have outlived their initial service lives. Even though Russia cannot afford high-tech or conventional weapons, it still has a relatively ambitious building program for nuclear war. This includes ICBMs such as the Topol-M, the new Borey-class SSBN, heavy investments in command and control, and antisubmarine warfare. But the Topol-M consumes almost the entire state defense budget, precluding modernization of any other weapon or systems.[69] Russia also cannot afford to decommission obsolete systems or dismantle its chemical weapons complex, and is indeed loath to spend any rubles on conventional military reform or nuclear and chemical decommissioning if that reduces the funds available for modernization.

Russia may hope to confound U.S. defense planners by selling missiles abroad.

[65] Stephen Blank, "Valuing the Human Factor: The Reform of Russian Military Manpower," *Proceedings of the JINSA-SSI Conference on Manpower and Technology at the End of the 20th Century* (Washington, D.C.: Jewish Institute of National Security Affairs, 1998), pp. 36–58; *Russia's Armed Forces on the Brink of Reform* (Carlisle Barracks, Pa.: Conflict Studies Research Centre, Strategic Studies Institute, U.S. Army War College, 1998).

[66] Nikolai Sokov, *Modernization of Strategic Nuclear Weapons in Russia: The Emerging New Posture*, Working Paper no. 6, Program on New Approaches to Russian Security, Davis Center for Russian Studies (Cambridge, Mass.: Harvard University, 1998); Daniel Gouré, "The Evolution of Russian Nuclear Forces: Working to a Plan," *Report of the Commission to Assess the Ballistic Missile Threat*, pp. 141–49.

[67] Paul Goble, "Moscow Turns Eastward," *Radio Free Europe/Radio Liberty Magazine*, July 27, 1998.

[68] Derek Averre, "NATO Enlargement and Russian National Interests," *European Security*, Spring 1998, pp. 26–28; FBIS-SOV, Oct. 1, 1998, from *Interfax*, Sept. 30, 1998.

[69] Gouré, "The Evolution of Nuclear Forces"; FBIS-SOV, Oct. 26, 1998, from *Izvestiya*, Oct. 24, 1998; FBIS-SOV, Sept. 28, 1998, from *Izvestiya*, Sept. 26, 1998.

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Not surprisingly, Russia's military, industrial, political, and banking lobbies all see the logic of selling older nuclear systems abroad. There is talk today of $5 billion in atomic reactor deals, cash sales of fifty to seventy reactors to China, unconfirmed Israeli reports of sales of heavy water to Iran, new requests from India for missile safeguard technology, and reports of Russians eager to sell arms and even an atomic reactor to North Korea if Pyongyang can pay for them.[70] Clearly, opportunities and incentives to sell critical technologies abound. But once again, the possibilities do not end here. Intensification of the Indo-Pakistani or Indo-Chinese arms race would increase demand for Russian technology, while Iraq, Iran, Libya, and North Korea will be ready customers if they can find the cash and a way to circumvent international controls. And an anti-American successor to Yeltsin would probably promote even more arms sales than are now envisaged. Moscow mayor Yuri Luzhkov is already moving to control Moscow-based defense industries, which only underscores the atrophy of the central government.[71]

Lastly, one cannot overlook the purely criminal elements that exploit eroding controls over nuclear materials in order to sell them abroad.[72] In fact, the illegal trade will probably evolve into a business dominated by inside officials and technical elites. First, the inherent dangers involved in handling enriched uranium, other nuclear materials, and decommissioned weapons components require a high level of expertise. Secondly, the elites' contacts abroad (often with émigré scientists) could facilitate ties with recipient governments and agents.[73] Thus, the line separating corruption from outright criminality becomes impossible to draw.

Bitter Conclusions

Pursuing their private and state interests, Russian elites have repeatedly broken the MTCR. They remain ready to exploit high office and technical

[70] Turbiville, "Weapons Proliferation and Organized Crime"; FBIS-TAC-98-118, Apr. 29, 1998, from *Yedi'ot Ahoronot*, Apr. 28, 1998; FBIS-TAC-98-057, Mar. 2, 1998, from *Izvestiya*, Feb. 27, 1998; Stephen Blank, "Russo-Chinese Military Relations and Asian Security," *Issues and Studies*, Nov. 1997, pp. 87–92; Gertz, "Russia Sells China High-Tech Artillery."

[71] FBIS-SOV, May 4, 1998; FBIS-SOV-98-079, Mar. 23, 1998, from *Novye Izvestiya*, Mar. 19, 1998.

[72] *Russian Organized Crime*; Brovkin, "Fragmentation of Authority," pp. 515–16; Beck, "Russia's Rationality for Developing Export Controls," pp. 37–38, 49.

[73] Rensselaer W. Lee III, "Post-Soviet Nuclear Trafficking: Myths, Half-Truths, and the Reality," *Current History*, Oct. 1995, p. 347; James E. Doyle, "Improving Nuclear Materials Security in the Former Soviet Union: Next Steps for the MP&CA Program," *Arms Control Today*, Mar. 1998, pp. 12–18; Graham T. Allison et al., *Avoiding Nuclear Anarchy: Containing the Threat of Loose Russian Nuclear Weapons and Fissile Material* (Cambridge, Mass.: MIT Press, 1996); John M. Shields and William C. Potter, eds., *Dismantling the Cold War: U.S. and NIS Perspectives on the Nunn-Lugar Cooperative Threat Reduction Program* (Cambridge, Mass.: MIT Press, 1997); Richard A. Falkenrath, Robert D. Newman, and Bradley Thayer, *America's Achilles Heel: Nuclear, Biological, and Chemical Terrorism and Covert Attack* (Cambridge, Mass.: MIT Press, 1998).

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expertise to sell and transfer advanced military systems and dangerous dual-use systems to states bent on the proliferation of WMD, thereby enhancing military threats to the United States and its allies. They also are even ready to sell high-quality, high-precision weapons and dual-use components to states that may someday threaten Russia itself, including Iraq, Iran, and China. Because it is hard to envisage a rapid Russian economic revival, because defense industry and the armed forces are desperate, because too many privateers stand to gain from the arms trade, because many elites believe that this is a way to restore Russia's leverage abroad, because proliferation is the least of Russia's worries at present, and because effective state control does not exist in any case—for all these reasons, few obstacles prevent Russia's becoming a rogue proliferator.

Aaron Karp observes that such proliferation reveals three highly disturbing and potentially concurrent possibilities. First, if high-level policies are actually authorizing and even encouraging transfers of dual-use technologies and systems, then the Russian government lies when it denies that these transfers occur. Secondly, if Moscow's lack of control over its own institutions has reached the point of chronic "informal acquiescence" in the face of those institutions' transgressions, then Moscow's considerations of its long-term security interests may no longer be relevant. Thirdly, if central authority has become so degraded that agencies and firms act strictly on their own, then Western carrots and sticks aimed at the central government will be futile.[74]

Westerners tend to avert their eyes from the troubling implications of these trends. But there is mounting evidence that Russia cannot be dealt with "in the traditional manner of orthodox states and regimes like the MTCR."[75] Karp disputes the view stated here that, at least in the dual-use and WMD sector, despite episodes of private activity, the state knows what is happening and has encouraged or at least tolerated proliferation. But we cannot pretend that if current trends continue, Russia's integrity will remain intact. If Russia becomes a truly failed state, exports of WMD systems and WMD diffusion within Russia will be virtually unrestricted. And no one can or wants to contemplate that.

[74] Aaron Karp, "Technological Pathways to Ballistic Missiles in Iran," *Report of the Commission to Assess the Ballistic Missile Threat*, pp. 178–81.

[75] Ibid. See also Eva Busza, *The Dysfunctional State and International Collaboration: New Challenges to National Security Regimes*, Working Paper no. 3, Program on New Approaches to Russian Security, Davis Center for Russian Studies (Cambridge, Mass.: Harvard University, 1997), p. 14.

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Facing Nuclear and Conventional Reality

by Dennis M. Gormley and Thomas G. Mahnken

Throughout the Cold War, nuclear deterrence formed the foundation of U.S. national security policy. The United States relied upon its nuclear arsenal to deter a strike not only upon its own territory, but upon allies in Europe and Asia as well. While the robustness of deterrence and the health of the U.S. arsenal were the subject of debate, a broad consensus among decision makers and the general public supported America's reliance upon nuclear weapons.

Since the end of the Cold War, a number of arms control advocates, politicians, and military officers have argued that the United States should substantially reduce its reliance upon nuclear weapons. Taking that argument to an extreme, a loosely knit group of retired military officers, scientists, and defense intellectuals maintains that the elimination of nuclear weapons should be an explicit goal of the United States. The abolitionists contend that the only plausible use of nuclear weapons is to deter nuclear attack and that getting rid of nuclear weapons would eliminate this rationale. Although those holding more moderate views find this argument impractical, they too are ambivalent about nuclear deterrence, claiming that the risk of accidental or unauthorized launch of nuclear weapons outweighs any conceivable benefit. Some abolitionists and many military officers maintain that conventional precision-guided munitions (PGMs) offer an effective alternative to nuclear weapons.

While the abolitionists and their less extreme brethren perform a valuable service by subjecting nuclear weapons to critical scrutiny, they overstate both the level of public support for their case and the viability of conventional alternatives. A careful assessment of public attitudes toward nuclear weapons reveals considerable skepticism toward nuclear disarmament. Nor can PGMs take the place of nuclear weapons. The U.S. armed

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forces must overcome daunting technological and organizational barriers before PGMs are truly capable of deterring and defending against weapons of mass destruction (WMD). Without a candid discussion of what conventional weapons can and cannot do, the United States risks a dangerous erosion of its nuclear deterrent before laying the groundwork for an alternative defense posture.

The Nuclear Abolitionist Trend

While nuclear weapons played an important role in U.S. strategy during the Cold War, the dissolution of the Warsaw Pact and the collapse of the Soviet Union have triggered a reassessment of nuclear weapons policy within the defense community. The first call to reconsider the role of nuclear weapons in U.S. national security policy came from an unlikely source. In an article written in January 1994, Paul H. Nitze argued that it was time for the United States to reexamine its reliance upon nuclear deterrence. He reasoned that the threat of nuclear retaliation would be unlikely to deter aggression by regional powers, and that the U.S. government would be unwilling to use nuclear weapons to punish such a move. As a result, he recommended converting the principal U.S. strategic deterrent from nuclear weapons to PGMs. Nitze believed that such a force would give the United States a more credible and flexible deterrent. He argued that "[i]t may well be that conventional strategic weapons will one day perform their primary mission of deterrence immeasurably better than nuclear weapons if only because we can—and will—use them." He further called for an informed discussion of the capabilities and limitations of strategic conventional weapons.[1]

Whereas Nitze sought to enhance deterrence, those who have dominated the ensuing debate have sought to abolish it. In late 1995 the Australian government formed the Canberra Commission on the Elimination of Nuclear Weapons, a group comprising such experienced policymakers as former secretary of defense Robert McNamara and former French prime minister Michel Rocard. The commission's report, issued in August 1996, called on the United States, Russia, China, Britain, and France to commit themselves to the elimination of all nuclear weapons. The commission's members rejected the argument that the possession of nuclear weapons deters war. To them, the notion that nuclear states would be able to retain their arsenals indefinitely without the possibility of nuclear weapons' being used lacked credibility. They argued that the only way to eliminate the threat of nuclear war would be to abolish nuclear weapons. To achieve this goal, the commission recommended that the nuclear states reduce the readiness of their strategic nuclear forces, eliminate their tactical nuclear arsenals, end nuclear testing, and

[1] Paul H. Nitze, "Is it Time to Junk Our Nukes?" *Washington Post*, Jan. 16, 1994.

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initiate negotiations to reduce further the size of the American and Russian nuclear stockpiles. They also called upon the nuclear powers to agree unanimously not to be the first to use nuclear weapons, nor to use them against nonnuclear states.[2]

One member of the commission, retired air force general George Lee Butler, went beyond the group's recommendations. In a speech to the National Press Club in December 1996, the former commander in chief of U.S. Strategic Command argued that

> nuclear weapons are inherently dangerous, hugely expensive, and militarily inefficient; that implacable hostility and alienation will almost certainly over time lead to a nuclear crisis; that the failure of nuclear deterrence would imperil not just the survival of the antagonists, but of every society; and that nuclear war is a raging, insatiable beast whose instincts and appetite we pretend to understand but cannot possibly control.

For him, nuclear deterrence represented not a force for stability, but rather a catalyst for conflict. As he put it, deterrence rests upon an "embedded assumption of hostility and associated preference for forces in high states of alert," a posture that could lead to war through accident or miscalculation. He was dubious of the ability of nuclear weapons to deter the use of chemical or biological weapons by rogue states. He claimed, in short, that a world free from the threat of nuclear war had to be devoid of nuclear weapons.[3]

Given Butler's intimate contact with nuclear doctrine and weapons throughout his military career, his conversion to abolitionism was certainly striking. It was not, however, unique. In the wake of Butler's speech, sixty-one retired generals and admirals from seventeen countries, including Charles Horner, William Odom, John Galvin, and Andrew Goodpaster of the United States; Lord Carver and Sir Hugh Beach of Great Britain; and Boris Gromov and Alexander Lebed of Russia, joined the chorus calling for nuclear abolition. In February 1998, 120 former civilian leaders from forty-six countries, including Jimmy Carter, Lord Callaghan, Mikhail Gorbachev, Helmut Schmidt, and Pierre Trudeau, released a statement supporting the eventual elimination of nuclear weapons. Goodpaster went on to lead a study group under the sponsorship of the Henry L. Stimson Center. The group's March 1997 report, *An American Legacy: Building a Nuclear Weapon Free World*, argued that the president should commit the United States unequivocally to the elimination of WMD and advance the cause by seeking ratification of the Chemical Weapons Convention and Comprehensive Test Ban Treaty and by negotiating a third Strategic Arms Reduction Treaty. It also called for a

[2] *Report of the Canberra Commission on the Elimination of Nuclear Weapons* (www.wagingpeace.org/butlerspeech.html).

[3] General George Lee Butler, Abolition of Nuclear Weapons Speech, National Press Club, Washington, D.C., Dec. 4, 1996 (www.wagingpeace.org/butlerspeech.html).

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blank-sheet review of U.S. nuclear weapons policy, a cutoff in the production of fissile material, and an invitation to others to participate in nuclear threat reduction activities.[4]

Although the abolitionists are a loosely knit group, they share a number of core beliefs. The first is that the only rational purpose for nuclear weapons is to deter nuclear attack, a possibility that would disappear if nuclear weapons were eliminated. In addition, the abolitionists argue that nuclear weapons cannot deter attempts by regional powers to coerce or invade their neighbors, protect U.S. troops from attack, or deter or respond to the use of chemical or biological weapons. Hence, the costs and risks associated with nuclear weapons outweigh the benefits of possessing them. General Butler has portrayed deterrence as "a formula for unmitigated catastrophe . . . premised on a litany of unwarranted assumptions, unprovable assertions and logical contradictions." In his eyes, "the threat to use nuclear weapons is indefensible."[5]

A second assumption, which flows from the first, is that the elimination of nuclear weapons will produce a safer world. As the members of the Canberra Commission put it, "a central reality is that nuclear weapons diminish the security of *all* states [emphasis added]."[6] Left out of the abolitionist argument is the relationship between nuclear deterrence and the outbreak of conventional war. In fact, many people have argued that nuclear deterrence helped to prevent war between the United States and Soviet Union. While the abolition of nuclear weapons would, by definition, eliminate the possibility of nuclear war, it could increase the potential for conventional war.

A final, often implicit, assumption is that nonnuclear munitions offer a viable alternative to nuclear weapons. Nitze has made the case most explicitly, but the assumption clearly figures in other arguments as well. The National Academy of Science's Committee on International Security and Arms Control, for example, argues that the United States' conventional superiority over potential adversaries will allow it to restrict its nuclear arsenal to the deterrence of nuclear attack or coercion.[7] Andrew Krepinevich and Steven Kosiak, while not abolitionists, nonetheless agree that PGMs will permit the United States to make deep reductions in its nuclear arsenal.[8] The central question is whether nonnuclear PGMs will be able to deter aggression

[4] *An American Legacy: Building a Nuclear-Weapon-Free World*, Final Report of the Steering Committee, Project on Eliminating Weapons of Mass Destruction (Washington, D.C.: Henry L. Stimson Center, Mar. 1997).

[5] General Lee Butler, "The Risks of Nuclear Deterrence: From Superpowers to Rogue Leaders," National Press Club, Feb. 2, 1998.

[6] *Report of the Canberra Commission*.

[7] Committee on International Security and Arms Control of the National Academy of Science, *The Future of U.S. Nuclear Weapons Policy* (Washington, D.C.: National Academy Press, 1997), p. 3.

[8] Andrew F. Krepinevich and Steven M. Kosiak, "Smarter Bombs, Fewer Nukes," *The Bulletin of the Atomic Scientists*, Nov./Dec. 1998 (www.bullatomsci.org/issues/1998/nd98kosiak.htm).

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and—failing that—whether they can carry out the same missions as nuclear weapons.

Assessing Public Attitudes Toward Nuclear Weapons

Nuclear abolitionists frequently cite public opinion in support of their case. Butler, for example, has argued that, "in every corner of the planet, the tide of public sentiment is now running strongly in favor of diminishing the role of nuclear weapons. Indeed, I am convinced that most publics are well out in front of their governments in shaking off the grip of the Cold War and reaching for opportunities that emerge in its wake."[9] A survey sponsored by the Middle Powers Initiative, an abolitionist organization, found that 83 percent of respondents thought American security would be better served if the United States did not have nuclear weapons.[10]

A much different picture emerges from data gathered by the Stimson Center in 1998 and from even more comprehensive surveys conducted by the University of New Mexico's Institute for Public Policy between 1993 and 1997. First, data from both the Stimson and New Mexico polls show significant public support for retaining a nuclear arsenal. Fifty-three percent of those responding to the Stimson Center poll, for example, favored maintaining and improving the U.S. nuclear stockpile.[11] Indeed, public support for sustaining the U.S. nuclear arsenal has actually grown since the end of the Cold War. When asked to rate the importance of retaining U.S. nuclear weapons on a scale of 1 (not at all important) to 10 (extremely important), the mean response was 6.6 in the 1993, 6.8 in 1995, and 7.2 in 1997. These data reflect a considerable increase in the perceived value of nuclear weapons at a time when the threat from Russia has greatly diminished. The surveys also reveal that Americans are increasingly in favor of maintaining the ability to develop and improve nuclear weapons in the future. Thirty-eight percent of the general public favored such a capability in 1993, 46 percent in 1995, and 53 percent in 1997.[12]

Support for eliminating nuclear weapons is weaker than abolitionists claim.

Secondly, the public believes that nuclear deterrence remains an important element of U.S. national security policy. According to the Stimson Center's survey, 56 percent of those polled believed that the possession of

[9] Butler, "The Risks of Nuclear Deterrence."

[10] Robert D. Green, *Fast Track to Zero Nuclear Weapons* (Cambridge, Mass.: Middle Powers Initiative, 1998), p. 45.

[11] *Public Attitudes on Nuclear Weapons: An Attitude for Leadership* (Washington, D.C.: Henry L. Stimson Center, 1998), p. 24.

[12] Kerry G. Herron and Hank C. Jenkins-Smith, *Public Perspectives on Nuclear Security: U.S. National Security Surveys, 1993–1997* (Albuquerque: University of New Mexico Institute for Public Policy, 1998), pp. 78, 94–95.

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Table 1
Public Perceptions of Nuclear Weapon Roles

	Public Mean		
	1993	1995	1997
Importance of nuclear weapons for U.S. influence	6.1	6.2	6.3
Importance of nuclear weapons for U.S. status	6.3	6.7	6.6
Importance of United States' remaining a superpower	7.6	7.9	8.2

1 = not at all important; 10 = extremely important

Source: Kerry G. Herron and Hank C. Jenkins-Smith, *Public Perspectives on Nuclear Security: U.S. National Security Surveys, 1993–1997* (Albuquerque: University of New Mexico Institute for Public Policy, 1998), pp. 56–59.

nuclear weapons improves U.S. national security. On a scale of 1 to 10, respondents to the New Mexico surveys rated the current importance of nuclear deterrence as 7.6 in 1995 and 7.4 in 1997, only marginally lower than its perceived importance during the Cold War. The public is, however, concerned about the effectiveness of deterrence should nuclear weapons spread. In both 1995 and 1997, respondents to the New Mexico surveys rated the effectiveness of deterrence in a nuclear-armed world at 6.0. The public also believes that nuclear weapons can play an important role in deterring the use of chemical or biological weapons, despite the fact that the U.S. government has scrupulously avoided making such retaliatory threats in the past. Indeed, a majority of respondents to the 1993 and 1995 New Mexico surveys would support nuclear retaliation against the use of chemical and biological weapons.[13]

Thirdly, the public values nuclear weapons for reasons that go far beyond the need to deter nuclear attack upon the United States. According to the New Mexico data, the public believes that nuclear weapons both help the United States to influence international events and play a role in maintaining U.S. status as a superpower (see Table 1).

Despite the perceived benefits of maintaining the U.S. nuclear arsenal, there is some public support for arms control agreements to eliminate nuclear weapons worldwide. According to the Stimson Center's survey, 36 percent of respondents support the abolition of nuclear weapons, and another 33 percent support reductions in the nuclear stockpile. The New Mexico surveys in 1995 and 1997 indicate that slightly more than half the

[13] *Public Attitudes on Nuclear Weapons*, p. 24; Herron and Jenkins-Smith, *Public Perspectives on Nuclear Security*, p. 61; Kerry G. Herron and Hank C. Jenkins-Smith, *Evolving Perceptions of Security: U.S. National Security Surveys, 1993–1995* (Albuquerque: University of New Mexico Institute for Public Policy, 1996), pp. 92–93.

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public would support an agreement requiring the elimination of all U.S. nuclear weapons if all other countries eliminated theirs.[14]

While many people believe eliminating nuclear weapons is a noble goal, fewer than half of respondents in the New Mexico studies believed that it would be feasible to do so in the next twenty-five years. Furthermore, even if nuclear weapons were eventually eliminated, more than 80 percent of respondents in each year of the survey indicated that it would be extremely difficult to prevent others from building (or rebuilding) their own nuclear arsenals. The 1997 survey shows that scientists were even more skeptical of the feasibility of nuclear abolition than the general public, and the Stimson poll corroborates these results.[15] In short, public support for eliminating nuclear weapons is significantly weaker than the abolitionists claim.

The Conventional Alternative to Nuclear Deterrence

The declining status of nuclear deterrence surely relates closely to the demise of the Warsaw Pact as the Cold War's defining threat. Correspondingly, interest in conventional deterrence has risen in tandem with the perception that new "smart" weapons are far more credible and flexible than nuclear weapons as instruments of deterrence and warfighting. This view is by no means exclusively associated with nuclear abolitionists. One of the principal organizers of a series of RAND Corporation war games held between 1991 and 1993 was left with the impression that today's military planners consider nuclear weapons to be largely unnecessary because they believe that smart weapons can destroy virtually every military target that was once assigned to nuclear weapons.[16]

This belief demands serious scrutiny because it entails far more than a change in military hardware. Whereas the credibility of nuclear deterrence during the Cold War rested largely on a perception of mutual vulnerability and the fear that a conventional conflict would escalate to nuclear catastrophe, conventional deterrence hinges on more diverse considerations. Principally, since conventional warfare does not stir fears of global destruction, the scope of its deterrent capabilities is markedly more definitive. Although destroying what an enemy prizes most has salience, conventional deterrence now aspires chiefly to deny the success of an adversary's military objectives. Denying success to an opponent through conventional means presupposes the capability both to project and protect one's own forces overseas, and then

[14] *Public Attitudes on Nuclear Weapons*, p. 19; Herron and Jenkins-Smith, *Public Perspectives on Nuclear Security*, p. 81.

[15] Herron and Jenkins-Smith, *Public Perspectives on Nuclear Security*, pp. 77, 78; *Public Attitudes on Nuclear Weapons*, p. 27.

[16] Marc Dean Millot, "Facing the Emerging Reality of Regional Nuclear Adversaries," *Washington Quarterly*, Summer 1994, pp. 50–51.

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to destroy the enemy's forces. If the opponent possesses WMD, the stakes of such a gambit become high indeed.

The outcome of the 1991 war in the Persian Gulf led many observers in government, the defense community, and academia to argue that the growth and diffusion of precision, stealth, and information technology is beginning to transform the character and conduct of conventional war, yielding a veritable revolution in military affairs (RMA). Improvements in sensor, command and control, and precision-strike technologies are dramatically increasing the lethality of conventional munitions. As two noted proponents argue, smarter conventional bombs will mean fewer nuclear weapons because advanced technology offers the military "the ability to locate, identify, and track a far greater number of targets over a far greater area for far longer periods of time and to engage those targets with far greater lethality, precision, and discrimination than has ever before been possible."[17] They argue that what we can see we can hit, and what we hit we will destroy.

No one would doubt that the United States is far more likely to use smart conventional munitions than nuclear weapons against regional aggressors. Credibility of use is certainly necessary to bolster deterrence, but it is hardly sufficient. The knowledge that smart weapons will perform their intended missions effectively is at least as important, if not more so. As Nitze has argued, before the United States shifts its strategic deterrent from nuclear to conventional weapons, there must be a careful, serious debate about the performance of smart weapons. He was not sanguine in 1994 about the prospects for serious media or professional discussions of true smart-weapons capabilities. Media coverage, in his view, was "well managed by the Department of Defense," while professional discussion was "superficial." And since Nitze's appraisal, the debate has become, if anything, even more superficial.[18]

The Truth about Conventional Weapons

Advocates of nuclear abolition often overstate the effectiveness of conventional PGMs in several important respects. Even supporters of a conventional denial strategy acknowledge that the United States needs improvements in at least three areas if it is to deter and defend against WMD through nonnuclear means. In 1993, then–Secretary of Defense Les Aspin drew attention to the need to improve capabilities to locate, identify, and attack deeply buried targets and WMD-armed mobile missiles, and to shoot

[17] Krepinevich and Kosiak, "Smarter Bombs, Fewer Nukes."

[18] For an unusually bullish exposition of the implications of new information technology, see Joseph S. Nye, Jr., and William A. Owens, "America's Information Edge," *Foreign Affairs*, Mar./Apr. 1996, pp. 20–36. A more balanced appraisal is Eliot Cohen, "A Revolution in Warfare," *Foreign Affairs*, Mar./Apr. 1996, pp. 37–54.

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down enemy missiles that survive counterforce attacks.[19] These three areas dominate consideration of conventional deterrence strategy because America's adversaries are investing heavily in WMD, mobile missiles, and deeply buried facilities to shelter their precious investments from U.S. attack.

Most surprising is the recent pace of these developments. Since the March 1998 release of the Central Intelligence Agency's annual report to Congress on the ballistic missile threat, Pakistan, Iran, and North Korea have all tested new missiles with ranges exceeding 1,000 kilometers. Especially shocking—coming seven days after the chairman of the Joint Chiefs of Staff, General Hugh Shelton, boasted to Congress about America's warning capabilities—was North Korea's August 31 test of a Taepo Dong I intermediate-range ballistic missile. This test revealed the use of a third missile stage, indicating that Pyongyang was well on the way to fielding missiles with intercontinental range. Many countries are also constructing deeply buried facilities to protect critical assets. No country is more adept at this than North Korea, which, like Iran and Libya, buries many of its WMD production and storage facilities underground or in caves. Recently, a controversy arose with North Korea over a mysterious underground construction site at Kumchangri, northeast of Pyongyang. Under an agreement reached with North Korea in March 1999, U.S. inspectors toured this huge underground facility in late May, and although they found it empty, they noted that equipment could have easily been removed prior to the inspection. Even North Korean officials have acknowledged that the Kumchangri site was designed for "a sensitive military purpose."[20]

No one will argue that these challenges are easy to address. Yet, despite all the ballyhoo over how the advent of PGMs is transforming conventional warfare, the truth is that they face severe shortcomings. For example, changes in the economics of underground construction call into question whether precision-guided munitions—including those designed to destroy hardened targets—can destroy deeply buried facilities. Commercially available boring equipment can now excavate a tunnel eighteen meters in diameter at the rate of seventy meters a day. The construction of underground facilities, buried beneath hundreds of meters of rock is well within today's state of the art.[21] Even assuming we can find and characterize deeply buried facilities the best we can hope for may be some form of harassment, consisting of precise and repeated attacks against their entrances. A concerted effort at improving capabilities against deeply buried targets is only now getting underway. Pentagon agencies are currently exploring several concepts, the

[19] Les Aspin, "The Defense Department's New Nuclear Counterproliferation Initiative," address to the National Academy of Sciences, Washington, D.C., Dec. 7, 1993.

[20] Philip Sherron, "North Korea's Suspected Nuclear Site Empty," *New York Times*, May 26, 1999 (also available at www.seattle-pi.com/national/nuke281.shtml).

[21] Letter from Dr. William Schneider, Jr., President, International Planning Services, Inc., to Dennis Gormley, Aug. 12, 1998.

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results of which culminated in a decision by the Defense Acquisition Board in late summer 1999 to commence a major new program. But given the inherent limitations of conventional weapons to penetrate facilities buried more than thirty meters underground, the best we might expect is a partial solution to a most difficult challenge.

At least the Pentagon appears focused on seeking solutions to the problem of deeply buried targets. The same cannot be said of locating and attacking WMD-armed mobile missiles. To be sure, today's air forces can attack large numbers of fixed targets simultaneously with great effectiveness. The Gulf War Air Power Survey, commissioned by the U.S. Air Force after Operation Desert Storm, showed that aircraft launching smart weapons were thirteen times more effective than those delivering dumb bombs.[22] But those impressive improvements pertained to attacks on fixed, not mobile, targets. Indeed, one of the most notable failures of the Desert Storm air campaign was the inability to destroy a single Iraqi mobile missile launcher. More recently, NATO forces in the Kosovo conflict were unable to identify and strike moving Serbian targets operating under thick cloud cover or targets that were camouflaged or well concealed.[23] The likelihood that future adversaries will deploy mobile missiles armed with WMD only raises the importance of improving attack operations.

Sadly, however, air force officials admit that the United States has made only marginal gains in attack operations since Desert Storm.[24] Such a dismal record does not result from the Pentagon's lack of appreciation of the need to find and attack mobile missiles: attack operations stand as a coequal with active defense, passive defense, and the interconnecting command and control arrangements as the so-called four pillars of theater missile defense in joint military doctrine. Indeed, the Pentagon's joint doctrine for theater missile defense calls attack operations the preferred method for countering enemy missiles. Yet the Pentagon has not been able to match its rhetoric with either sufficient resources or disciplined management. In this fiscal year's budget, $3 billion is allocated to active missile defense, but funds for attack operations barely total $150 million and are scattered among a poorly managed array of piecemeal programs.

The attack operations problem is, if anything, becoming more difficult. Today's mobile missile launchers carry large ballistic missiles such as the Scud and should therefore be relatively distinguishable from smaller military and civilian vehicles. But as smaller land-attack cruise missiles become a more prominent threat in the next decade, the difficulty of identifying missile

[22] Thomas A. Keaney and Eliot A. Cohen, *Gulf War Air Power Survey: Summary Report* (Washington, D.C.: U.S. Government Printing Office, 1993), p. 243.

[23] David A. Fulghum, "Darpa Tackles Kosovo Problems," *Aviation Week & Space Technology*, Aug. 2, 1999, p. 55.

[24] See, for example, David A. Fulghum, "Glosson: U.S. Gulf War Shortfalls Linger," *Aviation Week & Space Technology*, Jan. 29, 1996, pp. 58–61.

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launchers will only grow. This is because the percentage of civilian and military vehicles of roughly the same length as WMD missile launchers will more than double as smaller cruise and ballistic missile launchers are deployed.[25] As this "look-alike" or "confuser" population grows, airborne surveillance sensors will be more prone to misidentify targets. Striking the wrong target not only wastes precious attack resources, but also has embarrassing political costs should the false target prove to be a civilian school bus.

In spite of the decided disparity in funding between attack operations and active missile defenses, the latter programs remain beset by disruptive political expectations, poor management, and serious technical challenges. These problems have contributed to a string of program delays, the impact of which presents a stark reality: between now and 2007—sixteen years after Desert Storm—the nation's ability to defend against ballistic missiles will rest upon two lower-tier systems (the Patriot Advanced Capability Version 3 and the navy's Standard missile) and whatever attack operations can muster. This could hardly be characterized as robust conventional deterrence, and even this defense depends on the successful completion of the two systems' flight test programs. Should land-attack cruise missiles appear in enemy arsenals by 2007, theater missile defenses will be even less prepared to deal with WMD threats to regional allies and U.S. forces.

Certainly, the unexpected evolution of the ballistic missile threat has increased congressional pressure on the Pentagon to produce quick success. Yet, the urgent quest to reach a deployment decision for the army's Theater High Altitude Area Defense (THAAD) program has hurt the program more than it has helped. According to a Pentagon-sponsored expert review of all missile defense programs during 1998, "the perceived urgency of the need for these systems has led to high levels of risk that have resulted in delayed deployments."[26] Chaired by retired general Larry Welch, the former air force chief of staff, the study panel severely criticized the government's decision, which is mandated in law by Congress, to achieve early operational capability before completion of normal engineering and manufacturing development. The Welch panel viewed the decision to bypass standard engineering practices as right for more mature, proven technologies, but not for systems as risky as active missile defenses. As the panel's report noted, political pressure to succeed has produced a "rush to failure." Poor management oversight by the government and its contractors has also contributed to missile defense's dismal record thus far. Ironically, although the Welch panel found that managers have seriously underestimated the difficulty of making hit-to-kill

[25] The results of one such study of changes in targeting signatures are found in Dennis M. Gormley, "Counterforce Options," a presentation made at the Royal United Services Institute for Defence Studies at a conference on Extended Air Defense and the Long-Range Missile Threat, Sept. 17–18, 1997, London, England.

[26] "Welch Report on Risks in BMDO's Hit-to-Kill Programs," reproduced in *Inside Missile Defense*, Apr. 1, 1998, pp. 8–14.

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(HTK) technology work, the reasons for THAAD's numerous failures to intercept targets were far more mundane. The malfunctions occurred in low-risk subsystems and were caused by poor design, faulty fabrication, and inadequate procedures for ground checkout.

The most worrisome concern relates to the operational feasibility of HTK technology, which is not only central to THAAD's ultimate success, but also to that of the upgraded Patriot, the navy's Theater Wide program, and national missile defense. According to the Welch panel, the government remains at the first step in the three-step process of proving that HTK can work effectively. Recently, THAAD has demonstrated that it can hit a ballistic missile warhead in flight, but demonstrations of overall system reliability and tests against likely real-world targets still remain.

It is important to keep in mind that the Welch panel reflects the views of strong advocates of missile defense. Its recommendations are intended as correctives to encourage the government to execute missile defense programs on more realistic schedules. Although the panel did not judge HTK impossible, it emphasized the high risks involved in demonstrating operational feasibility. Perhaps out of frustration with THAAD's failure rate, several key figures in the scientific and engineering community are privately showing signs of giving up on the HTK solution for missile interception. Some have even hinted that HTK systems will be so vulnerable to simple countermeasures that the only technically, if not politically, feasible solution may be a nuclear one.[27]

Nor are ballistic missiles the only way to deliver WMD. A number of countries already manufacture land-attack cruise missiles, and the thirty-two-nation Missile Technology Control Regime (MTCR) has been even less effective in controlling these weapons than ballistic missiles. Most worrisome is the inability of MTCR members to halt the transfer of highly advanced, stealthy cruise missiles such as the French Apache. This has led a growing number of defense planners to believe that land-attack cruise missiles will ultimately share center stage with ballistic missiles as the dominant threat to U.S. forces globally.[28]

A relatively clear road map exists for ways to improve defenses against cruise missiles. Airborne sensors such as the air force's E-3 Sentry airborne warning and control system (AWACS) and the navy's E-2C Hawkeye airborne early warning aircraft will need upgraded radars to detect low-flying cruise missiles. Effective wide-area defense will not be possible without linking together better sensors and ground-based interceptors like the Patriot

[27] A nuclear solution would involve an HTK interceptor delivering a very small yield nuclear warhead sufficiently close to the adversary missile to vaporize its WMD payload. However, the political feasibility of such a nuclear solution seems virtually nil.

[28] For a discussion of this emerging threat, see Dennis M. Gormley, "Hedging Against the Cruise-Missile Threat," *Survival*, Spring 1998, pp. 92–111.

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and the Standard missiles, as well as the air force's air-to-air missiles. An investment of at least several billion dollars will be needed to acquire a mix of advanced airborne sensors and air-directed ground and air interceptors, together with greatly improved battle management that fuses assorted data links to produce a common air picture. Moreover, unprecedented cooperation will be needed within the Pentagon to forge a more effective joint doctrine and service cooperation on fully integrated air and missile defenses.

Overall, the challenge of demonstrating and deploying robust active defenses against ballistic and cruise missiles highlights the importance of improving attack operations. More effective counterforce could not only destroy WMD warheads over enemy rather than friendly terrain, but also reduce the enemy's attack size and destroy missile-borne countermeasures before they could be used. Such leverage from attack operations would greatly ease the load for active defenses. Unfortunately, the truth about the current state of each pillar of missile defense does not justify hope that a strong conventional deterrent can be achieved within the next decade.

The Future of Nuclear Deterrence

The truth about smart weapons does not foster optimism.

In retrospect, Paul Nitze's call for heavier reliance on smart conventional weapons as America's primary deterrent made good sense in 1994 and remains compelling today. But his accompanying call for the "truth" about conventional weapons points to the core issue in defining the future of the nuclear deterrent. Public attitudes toward nuclear weapons reveal an uncanny sense of the continuing value of a smaller nuclear arsenal, little optimism about the effectiveness of nuclear deterrence in a more proliferated world, and a willingness to see nuclear weapons used to deter the use of nuclear, chemical, and biological weapons. Taken together, these public attitudes correlate well with Nitze's hope that smart weapons might begin to play a much more important deterrent role in American security policy. Still, when measured against the three deterrence challenges evaluated above, the truth about smart weapons does not foster optimism. The United States must clear significant technical and organizational hurdles before PGMs will be capable of destroying deeply buried targets, finding and attacking WMD-armed mobile missiles, and defending against launched missiles. Smart conventional weapons may never succeed in neutralizing deeply buried targets, and no missile defense will ever achieve perfect effectiveness. But the reality of smart conventional weapons must begin to inform discussions about the future of nuclear weapons, not least because nuclear abolitionists have provoked a debate. Only through a more open and definitive examination of conventional reality can we shape a

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picture of just what role nuclear weapons should play in an era of growing conventional dominance.

Central to defining the role of nuclear weapons is the question of whether or not the nation can afford to see its nuclear arsenal become an "existential" deterrent. Is the mere existence of a nuclear weapon stockpile—as Sir Michael Quinlan put it, "an inert pile of materiel"—sufficient to deter potential adversaries from using nuclear, biological, or chemical weapons?[29] Although the nation's nuclear arsenal is far from being a mere existential deterrent, there is growing concern that U.S. nuclear forces are not receiving the care and attention they require. The gap is most prominent between declaratory policy, which emphasizes the continuing importance of nuclear deterrence, and the implementing infrastructure. The erosion of nuclear expertise and the virtual absence of long-range planning combine to create doubts about the future viability of nuclear deterrence. Concerns about sustaining the U.S. nuclear deterrent recently found public expression with the release of an October 1998 report of the Defense Science Board (DSB) Task Force on Nuclear Deterrence.[30] This panel of outside experts found that, with one exception, declaratory policy adequately reflected the importance of robustly underwriting the concept of nuclear deterrence against a range of threats. The exception lay in the area of policy statements on deterring weapons of mass destruction with nuclear threats. Here the DSB concluded that declaratory policy was more ambiguous than seemed useful, particularly regarding the issue of threatening nuclear responses against nonnuclear states that might brandish biological or chemical threats.[31]

For such deterrent threats to have any credibility, more than just a strong, unambiguous policy is needed. Effective management at lower levels must match policy rhetoric. Here, the DSB found that the nation is suffering from a generalized erosion in nuclear expertise within the Department of Energy's weapons laboratories, the Department of Defense, and the military services. Given the absence of new weapon development, the need to maintain the existing stockpile indefinitely without testing, and the quickly fading appeal of a military career in nuclear operations or planning, the DSB's findings are hardly surprising. A corollary development is the virtual absence of any serious long-range nuclear planning. The DSB found that nearly all of the Cold War bureaucratic mechanisms that had once sustained disciplined nuclear planning are no longer functional. To fill this gap, the DSB recommended reinvigorating several of these past nuclear functions within the Pentagon, producing an "end-to-end nuclear forces plan," and presenting an

[29] Sir Michael Quinlan, *Thinking About Nuclear Weapons* (London: RUSI Whitehall Paper Series, 1997), p. 15.

[30] *Report of the Defense Science Board Task Force on Nuclear Deterrence* (Washington, D.C.: Office of the Under Secretary of Defense for Acquisition and Technology, Oct. 1998).

[31] This issue is delicate because the United States renounced, in 1978, the use of nuclear weapons except to deter attacks by nuclear-armed states. See David Ochmanek and Richard Sokolsky, "Employ Nuclear Deterrence," *Defense News*, Jan. 12, 1998, p. 21.

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annual report to the president on the state of the nuclear deterrent. Together, these mechanisms could regularly engage senior decision makers on issues critical to maintaining nuclear deterrence.

The Way Ahead

Underlying the abolitionists' quest to eliminate America's reliance on nuclear deterrence is an exaggeration of the true capabilities and understatement of real limitations of conventional weapons. Basking in the afterglow of Desert Storm, the abolitionists and many in the military community have uncritically accepted the notion that smart conventional weapons are capable of tasks heretofore the exclusive domain of nuclear weapons, and the experience in Kosovo may only exaggerate such acceptance. But the perception of what conventional weapons can do diverges from reality. While the effectiveness of PGMs will doubtless improve in coming years, it may very well be that certain capabilities—such as destroying deeply buried facilities—will remain unattainable by conventional means. When combined with shortcomings in the ability to find and destroy mobile launchers and defend against ballistic and cruise missiles, the deterrent value of PGMs is questionable. Surely, the United States has no choice but to pursue vigorously the revolution in military affairs and apply its money and brainpower to areas where serious conventional shortcomings still exist. But it cannot afford to allow further reduction of its capacity for nuclear deterrence.

Erosion of deterrence also flows from ignorance on the part of some policymakers as to the condition of the country's nuclear infrastructure. The argument is often heard that such ignorance is acceptable because uncertainty contributes to deterrence. But the details about specific capabilities and limitations do matter. As Sir Michael Quinlan has eloquently argued, "there lies at the heart of deterrence . . . an inescapable paradox: the more seriously the possessor is believed capable *in extremis* of using the armoury, the less likely it is that others will allow circumstances to arise challenging its use. And the converse is also true."[32] The support of a clear majority of the American public not only for maintaining the nuclear stockpile, but improving it if necessary, is fundamentally inconsistent with such ignorance. Of course, the "ignorance is bliss" theorem purports to send a signal to proliferating states that America no longer considers nuclear weapons to be legitimate tools of a nation's security. But the truth about motives to acquire nuclear weapons has little to do with U.S. possession or specific use policies. In fact, an Indian general argued that the primary lesson from the Gulf War for the developing world was the necessity to confront American conventional dominance with nuclear weapons. Thus, WMD proliferation is in part an asymmetric response

[32] Quinlan, *Thinking About Nuclear Weapons.*

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to America's conventional dominance. Serbia's capitulation in Kosovo is likely to reinforce the motivation of potential U.S. adversaries to acquire WMD.

Sustaining nuclear deterrence by forestalling the already substantial erosion of the nuclear infrastructure will be easier said than done. The emerging RMA has captured the military imagination and dominates long-range planning and doctrinal development. But if any of the DSB's recommendations merits systematic implementation, it is the call for a "nuclear analogue to the conventional RMA strategy." Although the recommendation was unaccompanied by any elaboration, it seems clear that it implies the need for enlightened discourse and debate on the nuanced relationship between conventional and nuclear reality. If the United States is to maintain the ability to intervene at times and places of its choosing to protect its interests, it must vigorously pursue solutions to the challenges posed by WMD. Squarely facing nuclear and conventional reality presupposes certain policy adjustments, none of which will be simple and all of which will require presidential and congressional leadership. In light of the foregoing analysis, three areas deserve the utmost attention.

First, the executive and legislative branches need to recognize that improving the ability to find and attack deeply buried targets and WMD-armed mobile missiles will require more than military pay raises and force modernization. Equally critical is a senior Pentagon leadership committed to radical experimentation, new operational concepts, and organizational change—the key measures of a true military revolution. In particular, military planners must acknowledge that WMD-armed mobile missiles and related underground facilities are not "just another target." They merit the dedicated around-the-clock treatment the navy has traditionally devoted to tracking enemy submarines. This implies the need for original thinking about how to mesh the intelligence-gathering and operational-targeting duties of the several services into a single entity charged with tracking and targeting WMD threats. To the extent that additional resources are needed, they could be wisely spent on efforts to maintain continuous tracking of missile launchers and suspicious activity indicative of new underground facilities for WMD. Because existing airborne sensors cannot operate freely over denied areas, a breakthrough in space-based observation seems to be needed. One new idea, called Discoverer II, would depart from the standard government practice of procuring essentially hand-built, expensive single-satellite systems. Instead, it would exploit commercial manufacturing practices to deploy a constellation of twenty-four to forty-eight radar satellites in low-earth orbit, or enough to furnish nearly continuous tracking of moving objects on the ground. Without such radical departures from standard Pentagon practices, there is little hope of achieving anything more than marginal improvements in finding and attacking WMD targets.

Secondly, while the Pentagon pursues a steady course on theater and

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national missile defenses, it also needs to hedge more vigorously against the emergence of missile threats that could challenge the effectiveness of currently planned systems. North Korea's surprise launching of a three-stage missile in August 1998 confirmed the conclusions of the Rumsfeld Commission Report, released earlier that year, that, given the alternative paths for nations to acquire missile technologies, we must plan for the unexpected. Significant technology development is needed not only to improve the performance of planned systems, but also to consider alternative courses of action should the ever-changing threat environment render HTK technology inadequate. As for cruise missile defenses, the Pentagon's own defense planning guidance states that the services should aim to deploy defenses against difficult-to-detect cruise missiles by 2010 and position themselves to respond to threats that could arise even sooner. As yet, only the air force has begun to address that possibility. Unless the navy and army match its progress, our military forces could be caught unprepared to deal with a WMD-armed adversary.

Thirdly, until smart conventional weapons prove substantially more capable than they are today of dealing with WMD threats, the nation's leadership must take concrete steps to sustain a strong nuclear deterrent. Leadership from the president and Congress is needed to support the Department of Energy's Stockpile Stewardship Program lest the nation's scientific talent erode even further. Equally imperative, the armed services' current fascination with the conventional RMA should not blind them to their responsibilities for sustaining and motivating a highly trained cadre of nuclear planners. But that will not occur without strong direction from the commander-in-chief. Nor will adversaries of the United States be sufficiently dissuaded from brandishing WMD threats until presidential direction becomes far less ambiguous about how the United States would respond to biological or chemical attacks on American forces or their allies. Although it may be inconceivable—despite the public support noted previously—that a president would authorize a nuclear response, deterrence of such attacks would be decidedly more effective were rogue states made to fear possible nuclear consequences. By refusing to rule out nuclear retaliation against a biological or chemical attack against U.S. forces, the United States would take an important step forward in facing both nuclear and conventional reality.

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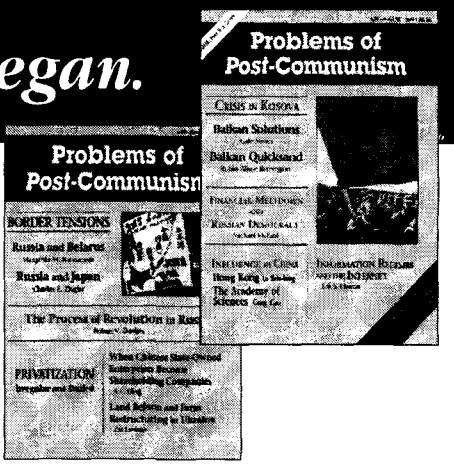

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The Risks of a Networked Military

by Richard J. Harknett and the JCISS Study Group

Lost in the welter of daily crises—Serbian atrocities, Chinese espionage, North Korean nuclear programs, and Iraqi intransigence—is the big story about American defense policy.[1] Away from the headlines, as the United States designs a security policy for the twenty-first century, two basic facts of long-term consequence have emerged. The first is that present and foreseeable defense budgets are simply not large enough simultaneously to support the current tempo of military operations worldwide, the high level of training and readiness that makes American skill at warfare second to none, and the modernization of the current arsenal. The second fact is less widely recognized, but just as certain, and it has important implications for how we deal with the first. Notions of an information technology–driven "revolution in military affairs" (IT-RMA) are now deeply embedded in American defense planning. But despite their intuitive attractiveness, these ideas are dangerously misguided.

American national security planners, informed by an influential group of academics and retired military officers, are pushing a dramatically new vision of conflict in the twenty-first century. These visionaries argue that the combination of advances in information computer processing, microelectronics, surveillance, and precision weapons technologies will permit a fundamentally new way of war. After reviewing the challenges for ensuring national security in the next century, the blue-ribbon National Defense Panel, for example, endorsed an aggressive transformation of the American military. The IT-RMA, it concluded, permits and demands a new force structure that "radically alter[s] the way in which we project power," reducing reliance on

[1] This article is a multi-authored product of the Joint Center for International and Security Studies. The article's co-authors include Stephen Biddle, Jan Breemer, Daniel Deudney, Peter Feaver, Benjamin Frankel, Emily O. Goldman, Chaim Kaufmann, William C. Martel, and Edward Rhodes.

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industrial-age military forces such as heavy ground units and aircraft carrier battle groups.[2] The Clinton administration's 1998 *National Security Strategy for a New Century* also calls for such a transformation.[3] IT-RMA proponents argue that the United States cannot act like the early-twentieth-century army that boasted the world's finest horse cavalry while armored tanks rumbled in the distance. The United States now has the world's finest tanks, they argue, but the hum of computers in the background is deafening.

Advocates recognize that such a new force structure will require a very different allocation of service roles and missions among the army, navy, and air force. If it can accomplish this, however, enthusiasts predict that the IT-RMA can rocket the United States into a permanent position of unchallenged leadership in world politics. Moreover, as pressures grow to maximize the utility of every dollar spent on defense, the IT-RMA presents itself as the solution that will preserve U.S. leadership without straining the pocketbook or risking (too many) lives—a radical technological and organizational leap that could solve the defense budget and modernization problems in one fell swoop.

But should the United States, today's leading military power, pursue a revolution that challenges the basis of the very system it currently dominates? The promise of the IT-RMA is offset by significant potential difficulties that do not seem easy to overcome. Before altering U.S. military power to take advantage of what Joseph Nye and William Owens have called "America's information edge," policymakers need to examine the end state carefully.[4]

We conclude that the end state is a major and unnecessary gamble. Given the military preeminence that the United States would be exchanging for an IT-RMA, the burden of proof rests on the advocates of radical change to show that the gamble is worth the risks. Close inspection of the IT-RMA case reveals a series of ad hoc assumptions about perfect training, perfect coordination, and perfect innovation. Its advocates, furthermore, have yet to address the possibility of unanticipated side effects and new vulnerabilities.

A far more prudent approach than revolution is a "go-slow" approach to defense planning for the twenty-first century that emphasizes the preservation of near-term readiness while exploring the opportunities of an evolutionary transition. Incremental military adaptation has served this country well over the last generation, and before the United States abandons it for a leap into the unknown, policymakers should have a better idea of where they are going to land. Despite budgetary pressures to do otherwise, the United

[2] National Defense Panel Final Report, "Transforming Defense: National Security in the 21st Century" (www.dtic.mil/ndp), p. 33.

[3] *National Security Strategy for a New Century* (October 1998) (www.whitehouse.gov/WH/EOP/NSC/html/documents/nssrpref.html).

[4] Joseph Nye and William Owens, "America's Information Edge," *Foreign Affairs*, Mar./Apr. 1996, pp. 20–36.

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States should not commit itself fully to a drastic shift until the new concepts, weapons, and organizations have demonstrated, through extensive experimentation, that their vaunted effectiveness can meet real security challenges. Absent further evidence, the prudent course is to skip the revolution and stick with evolutionary innovation.

The Revolutionary Argument

Technological advances in the ability to process, organize, and disseminate information are defining America's vision of the approaching millennium. In the most popular view, evolving information capabilities form the basis for fundamental changes in social and economic practices, organizational structures, and military affairs. The digitization of information processing is expected to cause a fundamental shift in the way societies pursue wealth and power, and leaders across the political spectrum have touted their unbounded optimism for the revolution. According to President Clinton,

> the invention of the steam engine two centuries ago and the harnessing of electricity ushered in an industrial revolution. . . . [T]oday, the invention of the integrated circuit and computer and the harnessing of light for communications have made possible the creation of the global Internet and an electronic revolution that will once again transform our lives . . . [as we] enter the new millennium ready to reap the benefits of the emerging electronic age of commerce.[5]

Former Speaker Newt Gingrich talks just as enthusiastically about how the "lessons of the information age" should guide policy decisions.

The U.S. defense community has picked up on these presumed lessons and connected them to centuries-old military maxims about the value of information. The military theorist currently in vogue is the ancient Chinese writer Sun Tzu, whose philosophy of war is captured in the admonition: "Know the enemy and know yourself; in a hundred battles you will never be in peril." In defense circles, information revolution enthusiasts hold out the possibility of knowing the disposition and movement of both opposing forces and one's own to a degree to which Sun Tzu could not even have dreamed. The goal is to replace Clausewitz's "fog of war" with total transparency across the battlespace of air, land, sea, and space.[6]

According to these IT-RMA proponents, the integration of information technologies will provide the United States with major military advantages. The combat value of fighting forces will be multiplied through information superiority—the payoff of a "system of systems" that connects remote sen-

[5] Office of the Press Secretary, Text of the President's Message to Internet Users, July 1, 1997 (www.pub.whitehouse.gov/uri-res/12r?urn:pdi//oma.eop.gov.us/1997/7/1/4.text.1).

[6] Sun Tzu, *The Art of War*, ed. James Clavell (New York: Delta, 1988); Carl von Clausewitz, *On War*, ed. Michael Howard and Peter Paret (Princeton, N.J.: Princeton University Press, 1984).

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sors, soldiers in the field, commanders, and weapon platforms, thereby allowing the military to locate, target, engage, assess, and reengage with speed and efficiency. Total battlespace transparency will allow the United States to close out enemy options and overwhelm an opponent's capacity to take decisive actions in combat. The technologies that will underpin this military power are promised to require fewer weapons and deployed troops, and, very importantly, to jeopardize the lives of fewer American soldiers.

This image of the future is best captured in the Defense Department's *Joint Vision 2010*, which, according to General John Shalikashvili, then-chairman of the Joint Chiefs of Staff, lays out a blueprint for military doctrine and force structure in the next century. The document's core premise is that emerging technology will grant U.S. forces "information superiority," enabling them to prevail in anything from major war to low-intensity conflict to peacekeeping and humanitarian operations.[7]

Dominance across the spectrum of conflict is precisely what the United States needs, information enthusiasts argue, in part because the end of the Cold War has not ushered in an era of order and stability. On the contrary, regional rogues such as Saddam Hussein threaten vital American interests; international crime syndicates eat away at the internal fabric of American society; terrorists imperil American lives at home and abroad; and civil wars and ethnic conflicts cause mass migrations of refugees, threatening the stability of key allies and trading partners.

According to IT-RMA enthusiasts, new information-based methods and organizations will produce a flexible military able to adapt to any contingency in an uncertain world. This is not the military of the Persian Gulf War, but a fully networked, omniscient fighting force with global reach and a full spectrum of responses. Drawn from lessons of corporate restructuring around information technology, a networked military will function by way of organizational and command structures radically different from those that typify the traditional, hierarchical armed forces. According to IT-RMA proponents, since information content and connectivity have the potential to shape economic, political, and military realities in the next century, the United States should exploit the comparative technological advantage that it now enjoys and further develop the processes, norms, and organizations to maintain its predominance. However, three broad objections to this perspective must be raised. First, efforts to promote an IT-RMA will create significant vulnerabilities that do not currently exist. Secondly, an IT-RMA is unlikely to provide useful responses to the threats that will probably pose the greatest challenges to the United States. Finally, it risks triggering a backlash against U.S. foreign policy, even among allies.

[7] Joint Chiefs of Staff, *Joint Vision 2010* (1996) (www.dtic.mil/doctrine/jv2010/jvpub.htm).

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The Revolution Creates New Weaknesses

Enthusiastic supporters of an IT-RMA argue that restructuring forces to take advantage of information technology can significantly reduce the uncertainty inherent in military operations and the inefficiencies common to large organizational action. Networked information systems will provide, according to this view, a shared sense of fluid military situations among all levels of command. Troops will know clearly where they are in relation to friendly and enemy soldiers and will have detailed information concerning the behavior and dispositions of enemy forces. Armed with such data, troops and commanders should be able to discern the probability that enemy soldiers can achieve their objectives or prevent the U.S. forces from achieving their own. Information superiority is expected to leave the enemy paralyzed and easy prey for coordinated, low-cost surgical strikes. Shared battlespace awareness will purportedly enhance efficiency by giving every actor access to all the best information the U.S. side possesses. If an entire military force, from the most junior foot soldier to the commander-in-chief, shares a common understanding of the whereabouts of enemy and friendly forces, mistakes such as "friendly fire" casualties or unintended collateral damage can be averted and military power brought to bear with precision.

For this shared sense of battlespace to be maintained during combat, of course, access to information will have to be relatively easy and comprehensive. Individuals must be able to connect to the information network in a variety of ways, and redundant access points must be available. What many of its advocates fail to acknowledge is that the changes the IT-RMA requires create the risks of a loss of information security, a reduction in force resilience, and significant management and organizational problems.

The Access/Security Tradeoff. If shared battlespace awareness can provide a critical, perhaps even decisive advantage, opponents will find that the data infrastructure and the data themselves make exceedingly valuable targets. The incentive to "eavesdrop" on, contaminate, or disrupt the information flow of the American military will be enormous. In the Persian Gulf conflict, Iraqi leaders did not fully appreciate the significance of highly advanced surveillance planes or networked computer communications, but it would be imprudent to expect that the next opponent will make the same mistake. Each access point into the system of systems will be a potential Achilles' heel in need of protection.

It is here that the tension between easy access and robust security creates a dilemma. Because networks are supposed to have a seamless quality—once in the network, one can see almost everything—an adversary who has gained access will be able to steal, change, or destroy critical information freely and swiftly. By contrast, within a traditional hierarchical organization, an opponent that impersonates an infantry soldier would have great difficulty discovering essential information simply because his rank

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would restrict access. The very nature of non-hierarchical information systems means that penetration of one point of defense could provide access to enormous amounts of information or even unleash havoc throughout the information system. The opportunity to exploit the seamless quality of networked communication is amplified by the requirement that direct access be relatively easy. The problem is straightforward: it is easier to protect access to the filing cabinet if ten people have one key each than if a thousand people have five keys each.

One solution to this access/security problem is to recompartmentalize information so that the access of the private differs from that of the general. But this reintroduces hierarchy into information processing, essentially un-networking the network and forgoing the benefits of seamless sharing of information. Another solution might be to keep a seamless network, but with fewer access points and restrictions for certain individuals or ranks, but again this would undermine shared awareness. A third response would be to maintain comprehensive access and seamless networking, but erect a very active and robust defense. IT-RMA proponents assume that reliable defense against enemy exploitation of information system vulnerabilities is possible. They may be correct, given the potential for encryption, passwords, and layers of firewalls to foil an opponent's attacks on an information system. The problem, however, lies not in developing effective countermeasures, but in the seamless incorporation of those countermeasures during combat. Can we expect that, in response to an assumed enemy penetration, an effective defensive software patch can be introduced in such a way that all friendly forces are able to update their access procedures quickly and maintain connections while the intruder is forced out of the system? For comparison, just consider the compatibility problems created when a new version of a word-processing program is introduced into a small office group.

A broadly accessible network would be vulnerable to a single individual's attack.

The issue is not whether it is possible to defend information operations, but whether it can be done without undermining the whole point of the network. Opponents need not gain ascendancy over the information system in order to frustrate the system's owner. All they have to do is persist long enough and force the creation of so many firewalls that the system no longer functions as designed. Recent navy wargames produced this result. In its efforts to protect the network, the American side effectively un-networked the network by recompartmentalizing access—that is, it did the enemy's job! Every step toward protecting information is a step away from shared awareness. Finding the correct mix of security and access will be a daunting task.

Individual empowerment and the leveling of hierarchy also raise the possibility of conscious misuse. The access/security dilemma involves keeping unauthorized persons out of the network, but a more serious problem

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occurs when someone who is authorized to be in the system "goes south." Since it is much easier to move through an information system in a networked organization than it is in a hierarchical one, the potential for individuals to cause harm increases markedly. Ideological dissenters or simply disgruntled employees may seek to crash the system, leave time bombs that can be activated in the future, corrupt information, or engage in internal conspiracy, theft, or espionage.

Traitors and malcontents have always existed in militaries, but until now the problem has been manageable because, with few exceptions, the amount of damage an individual could inflict without great effort was marginal. Enemies within may have been able to pass along some narrow intelligence, scuttle a few weapons, or persuade a few others not to carry out their duty. Moreover, the greater the effort to do harm, the more likely a traitor would be caught by authorities. The empowerment associated with network organization dynamics changes this balance. Actions of individuals can have a ripple effect throughout the organization and occur at much greater speed. Consider what the likes of the Oklahoma City bombing perpetrators or the white supremacist group at Fort Bragg could do in the future with easy access to comrades in a million-person military. The number of malcontents and misfits is likely to remain small, but a single individual with access to critical nodes might be able to bring an entire system down. Individual empowerment means that lone rogues in the armed forces would not even need to recruit collaborators, dramatically reducing their risk of getting caught. Deterring such action becomes difficult if not impossible. As the former director of the National Security Agency, Lieutenant General Kenneth Minihan, has noted, "Unstructured attacks are occurring against our networks every day, but unfortunately, most are not even detected." When they are, he said, "we rarely know who the attacker was."[8] Imagine what the few spies that have inflicted serious damage, such as Jonathan Pollard, John Walker, Aldrich Ames, and Ronald Pelton, might have accomplished with wider and easier access.

Future opponents are unlikely to miss this opportunity. The National Defense Panel notes that adversaries will try asymmetric strategies to exploit American vulnerabilities and we must assume that all weaknesses cannot be completely eliminated. A recent Center for Strategic and International Studies report cites Pentagon experts who conclude that "well-coordinated attacks by fewer than 30 computer virtuosos . . . with a budget of less than $10 million, could bring the United States to its knees."[9] If even relatively small efforts can

[8] Quoted in Anthony Kimery, "When the Night Comes Crashing," *Military Information Technology*, vol. 3, issue 1 (1999), p. 12.

[9] *Cybercrime . . . Cyberterrorism . . . Cyberwarfare . . . : Averting an Electronic Waterloo*, Report of the CSIS Global Organized Crime Project (Washington, D.C.: Center for Strategic and International Studies, 1999), p. xiii.

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have such sweeping effects, then increasing the Pentagon's dependence on the very systems such strategies target could be a dangerous gamble.

The Loss of Resilience. IT-RMA is often touted as a force multiplier. In fact, it will have to be, considering the reductions in force structure that will be needed to pay for the new technology. The result will be a smaller military that depends on high volumes of quality information merely to survive, much less succeed. If the information turns out to be unavailable, corrupted, insufficient, or misinterpreted, then the much smaller IT-RMA force structure could be in big trouble. Today's massive forces provide an insurance policy against unforeseen setbacks. If the breaks go against American forces, they currently are large and diverse enough to recover. Thus, if an opponent checks the U.S. deep-strike air force with unexpected electronic countermeasures, he can still be defeated in close combat; if the enemy stops the Marines with mines and obstacles on the beaches, he can still be pummeled from the air; if the enemy resorts to guerrilla tactics, U.S. infantry can pursue him. On the other hand, a force radically restructured to exploit new information technology by definition puts more of its eggs in the deep-strike basket. If the enemy's tactics outflank technology, an IT-RMA military may lack the size and diversity to compensate. To take a single example, the initial plan for intervention in Kosovo, for political reasons, involved air operations only. Force restructuring could mean that in the future other options may be unavailable or prohibitively costly. Today's forces are resilient. A radically restructured IT-RMA force would be much less so.

A less risky alternative could allow the United States to incorporate RMA information assets within the current force structure, which may well make the force more robust. However, maintaining two distinct organizational forms, one hierarchical and one networked, might prove problematic. In addition, this could not be done without major budget increases. Much of the IT-RMA's political appeal rests on its claim to square the circle of growing commitments and shrinking budgets by letting the United States do more with less. If all it offers is to do more with more, there may be few takers on Capitol Hill.

Organizational Problems. The problems of access/security and resilience are tied to a third problem that goes to the heart of the change being planned. The true revolution in military affairs is not only about weapons and doctrine, but about radical organizational change. Of all modern social institutions, the military has come closest to the ideal form of a bureaucratic hierarchy, in which information is tied to function, and function to rank. The responsibilities of a general require a different amount and type of information than do the duties of the private. Each possesses the information needed to perform his or her job and not much more.

The transformation of the military into a networked organization fundamentally alters the relationship between information and function. *Joint Vision 2010* states that "new technologies will allow increased capability at

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lower echelons to control more lethal forces . . . thus leveraging the skills and initiative of individuals."[10] The document envisions empowered individuals exercising "maneuver, planning, and coordination . . . which were normally exercised by more senior commanders in the past." In the Persian Gulf War, for example, majors in Riyadh with secure fax machines and friends on Washington staffs could get information to which only generals had access in past wars. The scrambler phone shifted control of the flow of information to lower echelons of command than ever before, and this trend is likely to accelerate.

There are, however, troubling costs associated with extending this empowerment fully. In a non-hierarchical structure based on equal access to information, the notion of "higher" authority becomes problematic. This creates two mirror-image concerns. The first is intense micromanagement, that is, the potential for central authorities—civilian as well as military—to make every decision. If an American president, who is ultimately accountable, after all, has complete awareness of a military situation, it may be difficult to pass up the chance to take control himself. The network might thus function as a "hyper-hierarchy," wherein top leaders reach down to orchestrate action at the lowest levels. Perhaps, given full knowledge of the battlespace, such intervention by the centralized command might not have the deleterious effects that have been associated with past examples of micromanagement, such as Lyndon Johnson's selecting bombing targets in Vietnam or Jimmy Carter's intervention in Desert One. Yet, even with more information, the prospect of a president's making tactical decisions between Rose Garden ceremonies is not necessarily desirable. Among other consequences, such a ratcheting up of control would deny junior officers meaningful authority and responsibility and be certain to lead to morale problems. In the long run, it may give way to a mindset that is not conducive to effective leadership. In the U.S. Navy, for example, where there are currently only 1.6 ships for every admiral, the potential for hyper-hierarchy may create a serious challenge for command structures and rules.

The leveling of traditional hierarchical structure also creates the converse danger of macromanagement: the temptation of actors in the field to make decisions that should be made by higher authorities. Giving the troops a "god's-eye view" through direct access to satellites and other remote sensors may encourage them to act independently. Instead of more information leading to greater coordination, a breakdown of discipline could result. Will soldiers who are fully informed that they are outnumbered, surrounded, and without hope of timely support hold their positions? Even for courageous and well-trained troops, there is a difference between being ordered to hold a position when the risk is great but ambiguous, and doing so in the full

[10] *Joint Vision 2010*, p. 15.

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knowledge that it is suicide. Complete knowledge may demoralize rather than embolden the troops. To be sure, the dire truth might be withheld, but then troops might interpret an information blackout as proof of their impending doom. In sum, empowering troops with better information could produce enormous, perhaps unattainable, challenges to discipline.

Pressures for micro- and macromanagement grow out of the different interests of actors within the network. The problem, simply stated, is that having the same information does not necessarily lead actors to reach the same conclusion about how to respond. A president will view information through political-strategic lenses; the field commander, through operational lenses; and soldiers, through tactical and personal lenses. Flattened, highly networked command structures, however, do not in and of themselves privilege particular lenses or viewpoints. Without a perfect integration of political-military goals throughout the network, without a fusion of perspectives and views, and without the development of new command rule sets that clearly determine who makes decisions, the potential for different actors with the same information to make conflicting choices will surely exist. Advocates of full battlespace awareness assume that shared information will translate into (indeed, will equate with) a convergence of interests and perspectives, but common sense and experience suggest that this is not so.

The redesigning of military institutions to take advantage of the information revolution will also create sweeping cultural and practical problems for the military services, problems that need to be addressed carefully. One of the objectives of military training is to create a military ethos, a particular view of the world. The creation of this unique social institution has been possible, among other reasons, because of its members' physical isolation on military bases, although students of civil-military relations differ on the optimal degree of separation during peacetime. A networked military that allows greater individual initiative will have to contend with closer connections between the military and civilian worlds even as the gap in understanding between these worlds widens.

This interconnection may boost morale, but could also erode it, particularly during combat. Once deployment is made and hostilities are in progress, a barrage of e-mail from concerned friends and relatives who are getting critical reports on an operation from local news broadcasters (who have their own satellite feed from the operation) can, at the very least, distract soldiers in the field. Add to that the home front's arsenal of fax machines, cell phones (a problem with which the Israeli military has had to contend), and e-mail pagers, and the traditional divide between the military and home front—a divide upon which a system of discipline rests—becomes blurred. The professional military will begin to take on the feel of a virtual militia, for which the conduct of military operations competes with concerns and responsibilities at home and on the job: when the crops are ready, the pitchfork replaces the gun. The main advantage of a professional structure is depend-

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ability, but a professional military electronically connected to home may behave quite "unprofessionally" in combat.

Of course, total isolation during combat is not necessary. During the Second World War, mail call and movies were important, controlled distractions. The problem with networked integration is that commanders will have a hard time controlling the flow between the home front and the battlefront. The problem will intensify if the gap between civilian society and military institutions, as measured in values, attitudes, and life experiences, continues to grow. Civilians and the military may simultaneously have tighter communication links and increasingly disparate world views. Civilians, who increasingly know nothing about combat, will have the ability to tag along and chat with the troops, hardly a beneficial situation when American forces face prolonged combat conditions.

The military must also be concerned about the flow of information back to the home front. Stateside family and friends can cause problems, even unintentionally, by the way they use information gleaned from the deployed troops. An example of this concerns the rescue of air force captain Scott F. O'Grady, who was shot down in Bosnia in 1995. The rescue pilot e-mailed his pilot buddies describing the rescue in vivid detail, including sensitive information on American operational methods. Someone forwarded the message to another friend, who forwarded it again, and within hours a conversation that would have been a harmless diversion at the officers' club bar twenty years ago became a globe-circling security violation.

The negative aspects of individual empowerment can be eliminated by increasing the level of professionalism of the individual soldier, but this too is problematical. Even if we grant that 99.9 percent of military personnel are above distraction, that leaves a thousand weak links in a million-member organization. To this must be added the further complications created as the Defense Department increasingly contracts with civilian technicians to install, maintain, update, and repair complex technical systems. Civilian electronic engineers and software developers cannot be expected to have the same discipline demanded of the fighting forces, and the integration of people who may not carry what Eliot Cohen calls the "warrior's ethos" could increase the risk of internal conspiracy, theft, and espionage.[11] The flow of e-mail traffic out of national weapons laboratories, which was highlighted in the recent charges of Chinese espionage at Los Alamos, indicates a different cultural perspective on information between the scientific community and the military, even among that portion of the scientific community that is dealing with critical national security data.

All the offsetting costs listed so far will be exacerbated by the deployment of American forces as part of a coalition effort. An alliance-wide

[11] Eliot Cohen, "A Revolution in Warfare," *Foreign Affairs*, Mar./Apr. 1996, pp. 37–54.

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information network will have even more potential access points in need of defense and a membership that by definition involves different cultural values and national interests, and different levels of training and equipment are also likely to impair access and hinder the development of a shared awareness. Already, one of the greatest concerns among NATO allies is common interface standards and interoperability with U.S. military technology. The United States' NATO allies simply cannot afford to keep up. If allies' access is limited for security reasons, it will reduce the ability to work together effectively. Burden-sharing resentments may also emerge if in future joint actions the United States contributes the advanced technology while its allies, with their more traditional and relatively larger fighting forces, are left to provide the troops whose lives are at risk.

The Wrong Response to Security Threats

Given the potential for so many new vulnerabilities, the transformation of the military is clearly fraught with risks. Perhaps, if the security challenges of the future required radically new responses, these risks would be acceptable. However, in light of the current U.S. position as unchallenged superpower, caution and restraint seem far more prudent. A revolutionary transformation in the security infrastructure cannot be justified until it is demonstrated that information superiority solves real problems and permits U.S. armed forces to accomplish real-world missions better. Upon closer examination, however, it appears that the IT-RMA would leave the military ill equipped to counteract the dangers most likely to threaten U.S. security.

Information technology may contribute the most added value in the case of major theater wars, but those are precisely the threats that today's U.S. forces are most clearly able to handle. Current U.S. military superiority is overwhelming and is unlikely to be challenged soon, and American defense spending is roughly equal to that of the next ten top defense-spending countries combined (most of which are U.S. allies), plus such rogue states as North Korea, Libya, and Cuba. Success in the Persian Gulf War reveals that the United States can integrate information technologies and exploit them to great effect without the radical organizational and operational changes called for in the IT-RMA vision. Enthusiasts warn that because the IT-RMA is embedded in, indeed led by, the communications revolution in the commercial world, peer competitors can emerge quickly. But it is rather improbable that another state could rise as a threat more quickly than the United States could adapt to face it. This is not a call for standing still, but for slower, value-added defense planning. If the most important national security threat can already be handled with the means at hand, why revolutionize—particularly when the change might come at the cost of declining preparedness for that threat?

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Some argue that an information-enabled military will deal more effectively with low-intensity conflicts. If correct, this would truly be important since the most likely threats facing the U.S. military will involve instability among or the collapse of weak states. A critical problem, however, is that these scenarios will likely involve urban settings and opponents who are indistinguishable from the civilian population. As in Kosovo, the proximity between military targets and civilians may prevent planes from dropping their bombs or lead to the accidental killing of civilians. Opposing forces could rely on widely available low-tech means to communicate, defend themselves, and inflict damage. Or they could adopt the Serbian tactics of hiding forces in churches and schools. Organizational structure may be so simple or horizontal that isolation of leaders could be irrelevant. Alternatively, the adversary may have the sophistication to understand and exploit American technological and political vulnerabilities.

In any of these scenarios, there is no technological panacea. The fact that the United States could easily monitor the movement of Serbian forces in and out of Kosovo was only marginally helpful in dealing with the root causes of the crisis. Dominant battlespace awareness will do little to alter the centuries-old animosities and political struggles that give rise to such ethnic conflicts. In these cases, it is "boots on the ground" or the gunboat conspicuously offshore, and not information superiority, that restores short-term order and negates the military capacity of adversaries. NATO keeps the peace in Bosnia by means of soldiers on street corners backed by tanks and aircraft, not by radically transformed organizational structures and concepts. Indeed, if an embrace of the IT-RMA results in reductions in force levels, it may have the unintended consequence of reducing America's ability to deal with the low-intensity conflicts that seem likely to dominate in the foreseeable future.

The IT-RMA would leave the military ill prepared for the most likely threats.

In addition to improving U.S. capabilities to undertake major theater wars and low-intensity conflicts, enthusiasts argue that American sensors and communication systems can enhance such monitoring operations as arms control verification, scientific and environmental studies, refugee tracking, and everything collectively known as "military operations other than war." It is true that peace operations can be aided by more effective information collection, analysis, and dissemination. Additionally, intelligence-gathering capabilities for combatting terrorism and international crime will surely benefit from the greater use of information technologies. But none of that requires a radical restructuring of military forces. Indeed, doing so along the lines suggested by IT-RMA proponents may prove counterproductive because of the aforementioned vulnerabilities such an organization creates. It is hard to imagine a terrorist group taking on a combat brigade, but easy to imagine it taking down a computer network.

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A final argument offered in support of the IT-RMA is that thinking of war and peace in traditional military terms simply misses the point about an information edge. Alvin and Heidi Toffler, William Owens, and Joseph Nye have contended that command of the information environment may be used to prevent genocide and ethnic clashes before they start, thus obviating the need to send troops to intervene. The United States, for example, could suppress inflammatory radio messages, denying nationalist leaders the ability to incite their populations. In the case of Rwanda, Nye and Owens wrote in *Foreign Affairs*, the United States could have "exposed the true actions and goals of those who sought to hijack the government and incite genocide, which might have contained or averted the killing."[12]

While propaganda can be effective, advocating the IT-RMA as an antidote to global instability mistakes content for context. The mindset necessary to grab a machete and hack another human being to death does not emerge overnight in response to a voice on the radio, but from much deeper fears and calculations. Indeed, information that contradicts an individual's preexisting conceptual mindset is itself likely to be rejected as propaganda rather than accepted as truth. American computers, satellites, and info-warriors will not stop Christian southern Sudanese and Arab Muslim northern Sudanese from hating and killing each other. An information-driven U.S. military will be no more effective in dealing with these problems than traditional militaries—but it will be smaller, more expensive, and more thinly stretched.

The Balance of Power Still Matters

A final reason for caution in approaching the IT-RMA is the international reaction it is likely to generate. In the late 1980s it was popular to observe that American power was in decline. One of the stronger objections to this school of thought was offered by Nye, who argued that the unique appeal of American democracy and free-market economics could translate into "soft power," that is, the ability to achieve foreign policy goals through attraction rather than coercion.[13] He concluded that the growth in American soft power could offset declines in military and economic predominance. In their 1996 *Foreign Affairs* article, Nye and Owens moved one step further, arguing that with an intelligent strategy America could actually increase its overall power relative to the rest of the world. They called on the United States to "adjust its defense and foreign policy strategy to reflect its growing comparative advantage in information resources."[14] Implicit in this strategy is their notion that other nations will view American power as benign or, failing

[12] Nye and Owens, "America's Information Edge," p. 33.
[13] Joseph Nye, *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990).
[14] Nye and Owens, "America's Information Edge," p. 23.

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that, as incontestable. According to Nye and Owens, the "United States can use its information resources to engage China, Russia, and other powerful states in security dialogues to prevent them from becoming hostile. At the same time, its information edge can help prevent states like Iran and Iraq, already hostile, from becoming powerful."[15]

But as suggested earlier, clarity of information does not guarantee a convergence of interests. Information advantages may enhance the U.S. ability to shape relationships, but they do not alter basic interests. Recent protests in response to the American-led NATO strikes against Serbia suggest that people disagree even about the need to resist so repugnant a policy as ethnic cleansing. Some countries may ultimately trust the United States to wield its strength benignly, but the history of international politics suggests that few states will be willing to accept uncritically and passively such preponderance of power. Some states, including friends and allies, may coalesce to try to offset an American hegemon.

Enthusiasts of the information revolution claim that, in a break with past patterns of international politics, American hegemony will not prompt a countervailing balance of power. The Tofflers talk about "the end of equilibrium (not history)." As they argue in the book *War and Anti-War*, numerous "theories about the global system tended to assume that it is equilibrial, that it has self-correcting elements in it. . . . The entire theory of balance of power presupposed . . . restoring equilibrium. . . . Yet none of these assumptions apply today." They warn that "the promise of the twenty-first century will swiftly evaporate if we continue using intellectual weapons of yesterday."[16] Yet, just as information does not equate to shared goals within a single organization, there is little evidence that information suspends or transforms the interests of states. Even when certain goals can be agreed upon, reasonable state leaders may disagree on how to achieve them. France and the United States agreed that international law against war crimes should be upheld, and they shared information as to the whereabouts of war criminals in Bosnia. This did not lead, however, to agreement on how to proceed, and better information would not have transcended their disagreements. Nye and Owens write that "the information advantage can strengthen the intellectual link between U.S. foreign policy and military power."[17] However, given other nations' fears of U.S. domination, a revolutionary technological leap could easily be viewed in, say, China or Russia as evidence of open-ended U.S. ambitions and clearly at odds with a political grand strategy of benign engagement. Allies' acquiescence in an American hegemony will

[15] Ibid., p. 22.

[16] Alvin and Heidi Toffler, *War and Anti-War: Survival at the Dawn of the 21st Century* (Boston: Little, Brown and Co., 1993), pp. 249–50.

[17] Nye and Owens, "America's Information Edge," p. 20.

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last only as long as the United States can reassure them of the complementarity of American interests and their own.

A Revolution Today Is Premature

Although the benefit of a restructured American military is marginal for many missions, carries significant off-setting costs, and might encourage balancing by adversaries and unease among friends, defense planners are moving forward with the IT-RMA. The Joint Chiefs of Staff has produced a *Concept for Future Joint Operations* that requires fundamental organizational and operational change.[18] Political leaders in both parties accept the argument that incrementalism is "dangerous thinking," and the National Defense Panel calls for "aggressive transformation." Why does the revolutionary consensus continue to grow? The obvious (and cynical) reasons are threat inflation throughout the defense and policy-making communities, traditional service rivalries, and the attendant bureaucratic politics. But one could just as well expect that those quarters would favor existing institutional arrangements and practices rather than the shifting of resources—and power—to new programs and services. Nor does the attraction of technological revolution derive from the short-term perspective from which American politics tends to suffer. On the contrary, the current push for a radical change in military planning and force structure is remarkable because it is coming at the *expense* of parochial service interests and *despite* the short-term preoccupations of most leaders.

There are in fact five reasons why defense planners want a revolution. The first is that analysts have tended to misinterpret the Gulf War as a victory of technology. Although U.S. technology was unquestionably impressive in that conflict, the victory was the result of a fortuitous mix of superior American might and generalship with a good dose of Iraqi incompetence. The readiness level of American troops, created through rigorous and superior training, was especially critical. The second and third reasons for support of an IT-RMA are that the pursuit of innovation has become institutionalized, combined with a generally positive societal view of technological progress. These two factors reinforce each other. The Defense Advanced Research Projects Agency (DARPA) alone has a budget that exceeds the individual defense spending of all but the top twenty-two countries in the world, and its sole purpose is to innovate. Such bureaucratic players' vision of the future resonates in a larger political environment and culture that accepts all "progress" as good. Consider the difference between industrial America's emphasis on cars of the latest model-year and the current information-age cycle in which hardware and software are declared obsolete within months of

[18] Joint Staff, *Concept for Future Joint Operations* (www.dtic.mil/doctrine/jv2010/concept.htm).

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hitting the stores. In the defense community as in America at large, to move slowly is not to move at all. The fourth reason is that information technology has become the most common means by which to gauge both competence and success. Here, too, the IT-RMA argument parallels social norms. In the 1950s Americans measured themselves in terms of their automobiles' horsepower; now the standards are gigabytes and RAM. Finally, and perhaps most significantly, support for revolutionary change in the military has unmistakable political appeal. If leaders worry about remaining engaged in world affairs but do not have sufficient domestic political support to cover the financial and human costs of such a commitment, they are likely to be open to a solution that promises them engagement with less sacrifice.

None of these appeals, however, address the costs and concerns detailed here. The information-age enthusiasts insist that the United States should overturn a system it already dominates and push to radically expand America's advantage. This is both unnecessary and dangerous. The United States has reached a pinnacle of world power without exhausting itself, and dire predictions of decline have proven groundless. Relative to most developed countries, the U.S. economy continues to show resilience and its military remains without peer. The United States is not only ahead, but it is well positioned, provided that readiness is maintained, to respond quickly to any threat that might arise.

The normal process of evolutionary adaptation is perfectly adequate to the times, and is a safer and wiser response to new technology. The kind of incremental change that has characterized U.S. defense planning for more than a generation is a better—if less exciting—bet than radical transformation. The revolution can wait.

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Covert Operations, Now More Than Ever

by Thomas H. Henriksen

Lord Acton's famous maxim about the corruptive influence of power is just as true with regard to "absolute" military force as it is with regard to power in the domestic political realm. He might even have added that command of unmatched technological prowess can blind policymakers to lower-profile, lower-cost ways to achieve their nation's goals. Some security problems can be solved with a sledgehammer, or only with a sledgehammer. But far more common are those foreign policy challenges that can be solved—or prevented altogether—by measures short of violent conflict, even where routine diplomatic instruments prove ineffective. As the reigning superpower, the United States must not eschew forceful diplomacy or violence *in extremis* when its strategic interests are at stake. But Washington's current overreliance on aerial bombardment as the weapon of second (if not first) resort diminishes America's prestige, sullies its espousal of a liberal-democratic new world order, and endangers its strategic relations with other major powers. Less confrontational options can achieve U.S. goals without the "harmful side effects" that include a strained Western alliance and strained relations with China and Russia, not to mention civilian deaths and material destruction. That "less confrontational" option is covert or indirect action abroad, and it offers today, no less than during the Cold War, an effective alternative to the unacceptable risks and costs of military operations.

The Yugoslavian bombing campaign and the long series of air strikes against Iraq raise afresh the issue of how and why America should pursue its foreign policy agenda. Kosovo made clear, to some observers at least, that the United States should not wade into middle-sized conflicts in places with unpronounceable names and little strategic value, no matter what the extent of human suffering. Americans cannot, after all, make the lions lie down with the lambs, everywhere and for all time. Other critics concluded that Washington should have done more sooner in Kosovo, deploying ground troops and risking casualties in order to win a battle for international moral conduct.

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But the first opinion gives short shrift to the consequences that an unchecked slaughter in Europe could hold for that continent, while the second appears impractical because the stakes—even in President Clinton's view—were not worth courting the political problems that could result from the shedding of American blood in a distant country for obscure goals.

The ambiguous rationale for involvement resulted in an air campaign and not a *war*, a characterization that the Clinton administration scrupulously avoided. But as it turned out, the relentless air strikes, often against civilian targets, sapped the moral high ground that Clinton coveted. They failed to halt Belgrade's atrocities in Kosovo, damaged relations with China and Russia over a nonstrategic issue, risked NATO's unity, and left Slobodan Milosevic in power. One is left to wonder whether the necessity of "doing something" to address a genuine humanitarian and political crisis could have inspired an earlier, more effective, and less violent response lying between the extremes of disengagement and war.

To be sure, a reliance on air power reflects our technologically oriented civilization. High-altitude bombing promises to override historical complexities. But it ignores the fact that intractable ethnic and political conflicts are often resistant to technological quick fixes. It is not enough just to make low-tech regimes in places like Serbia and Iraq "hunker down." It means ridding them of their predatory leaders. And that requires a dramatic paradigm shift back to covert action as the policy option of choice. Such operations have often leveraged the preponderance of U.S. power to secure outcomes favorable to American aims, and their effectiveness stemmed in part from the perception in a target country that the United States had thrown its weight behind one side in a crisis. Direct military intervention proved unnecessary. Indeed, one might even conclude that direct military intervention, far from being the way to ensure policy success, is a proof of policy failure.

Indirect methods rely less on cutting-edge technologies and employment of force, and more on American operatives' mastering local politics, understanding different cultures, and learning foreign languages. Above all, they call for political judgment and continuous, anticipatory attention to the world beyond American shores. Briefly, they seek to strengthen local opposition forces against an adversarial regime so as to bring about prophylactic changes in governments.

Despite NATO's ever-intensified bombings of Yugoslavia, Slobodan Milosevic not only pursued his "ethnic cleansing" policies during the bombardment, but also clung to power after signing the Balkan military agreement. Other dictators such as Libya's Muammar Qaddafi and Iraq's Saddam Hussein have also endured American barrages without capitulating to U.S. demands. Perhaps it is time to look to other means in dealing with "rogues" and criminals who build weapons of mass destruction or destabilize their neighborhood.

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Measures Short of War

Needless to say, the U.S. government should always take the conventional diplomatic steps available in order to advance American interests and promote regional peace and the cause of democracy and human rights when they seem challenged. But traditional instruments of statecraft—sanctions, presidential appeals or threats, and American largesse (read *bribes*)—will not influence iron-fisted adversaries. The really tough nuts, such as Iraq, Iran, North Korea, Serbia, and Cuba, will not be cracked by sanctions or modify their policies because a miffed U.S. State Department has withdrawn its embassy staff. Economic embargoes are even more problematical, since they hurt innocent victims in the sanctioned states. Even the resort to international tribunals to try wrongdoers for murderous acts, for instance in Rwanda or the former Yugoslavia, does not suffice to forestall determined criminals. Ex post facto arrests come too late to stop cold-blooded criminality, and most indicted war criminals remain at large under unenforced arrest warrants. International law, while enjoying a renaissance since the post–World War II trials, is still too weak a reed to lean on where weapons of mass destruction or ethnic cleansing are concerned.

That is why the United States since World War II relied upon two indirect and nonmilitary remedies to undo actual or potential adversaries: robust public support for reformers in target countries, and muscular covert operations. Above-board approaches have entailed financial and technical assistance to bolster independent media, grassroots political movements, radio broadcasts beamed into a target country, and exchange programs for students, academics, journalists, and other professionals. The rationale was to pry open closed societies such as those of the Soviet bloc. After the fall of the Berlin Wall, U.S. overt assistance was instrumental in turning out former communist leaders through elections in Bulgaria, Lithuania, Romania, and Slovakia. While these measures are not viewed as covert operations, they constituted a form of intervention in another state's affairs, at least from the perspective of the electoral losers. As such, they blur the line between subversive and reformist ventures. The National Endowment for Democracy, established in 1983, has promoted democracy in scores of countries and fills overtly some of the same functions that the Central Intelligence Agency undertook covertly in earlier decades. But its reformist strategies will simply invite the early death of democratic elements in a North Korea, Libya, Iraq, or Syria.

Ousting a ruthless regime, when it becomes necessary, requires moving along the operational spectrum from overt to covert methods. Obviously, not all detestable regimes warrant subversion, and not all the likely alternative rulers are a clear improvement. President Eisenhower, an enthusiastic employer of secret interventions, backed away from coup plans against Egyptian leader Gamal Nasser when he realized that the political

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conditions in that country differed greatly from those in Iran, where the CIA had helped to remove Mohammad Mossadegh from power. When President Bush, to take another example, realized that no attractive prospects existed to stage a coup against Panamanian strongman Manuel Noriega, he opted for a military invasion. But when a viable alternative to an odious regime does exist, then covert action combined with good political judgment and professional execution can yield magnificent results. They are also far cheaper in blood, treasure, and political capital, as a glimpse at the historical record reveals.

To be sure, the record does include failures, most infamously the setback that took place in Indonesia in 1958, when the Eisenhower administration backed an inept rebellion against a communist-leaning regime, and the botched Bay of Pigs invasion of Castro's Cuba by 1400 U.S.-trained and -equipped exiles. But those exceptions prove the rule inasmuch as they reflected bad judgment and poor execution. Far more abundant is the evidence of cheap and easy triumphs on behalf of American interests and values that date back to the very founding of the republic. For instance, George Washington secretly used congressionally approved funds not only for intelligence gathering, but also for bribes to secure the release of hostages taken by Algiers. To check the Spanish-backed Creek Indian nation, Washington's secretary of state, Thomas Jefferson, advocated the dispatch of agents to rally other tribes against the Creeks. As president, Jefferson authorized and funded the first U.S. covert action against a foreign leader for preying on American ships. He dispatched the American consul in Tunis at the head of four hundred armed insurgents to oust the pasha of Tripoli.[1] Although the operation was not pressed to the point of the pasha's downfall, it made him respect the Stars and Stripes and protected U.S. shipping in the Mediterranean.

Is it less moral to prevent a war than to win one?

One of the most masterful applications of covert techniques took place when Theodore Roosevelt sought control of the Isthmus of Panama to build a transoceanic canal linking the Atlantic and Pacific. But the Colombian parliament obstinately refused to ratify a treaty its government had negotiated that provided for cession of the Canal Zone and construction of the waterway. Roosevelt might have beat the drums for a military expedition, but instead he encouraged an indigenous Panamanian rebellion and overcame Colombian resistance. Three days after the insurrection, Washington recognized the new Republic of Panama. U.S. warships prevented Bogotá from landing troops to suppress the uprising, and the admiral commanding the

[1] For an analysis of the operation and its legal and political influence on early American foreign policy, see Abraham D. Sofaer, *War, Foreign Affairs and Constitutional Power: The Origins* (Cambridge, Mass.: Ballinger Publishing Co., 1976), pp. 217–22.

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local Colombian fleet was bribed to steam away. Shortly afterwards, Panama concluded a treaty with Washington leasing the Canal Zone.

During World War II, the Office of Strategic Services conducted numerous operations against the Axis, from counterintelligence activity to airdrops of weapons and explosives for guerrilla bands operating behind enemy lines. Of course, war gives a wide latitude to covert actions against a belligerent state, but is a given action less moral when its purpose is to *prevent* a war rather than to win one? The question answered itself during the four decades of the Cold War.

Covert Operations as a Fact of Life in the Cold War

The post–world war era ushered in a unique ideological, military, and diplomatic rivalry between the two surviving global powers. Except for the conflicts in Korea and Vietnam, much of the struggle between Moscow and Washington was conducted beneath the threshold of open combat lest they provoke a nuclear showdown. Covert "black" operations, then and now, are much less confrontational than direct military interventions, so the United States embarked on operations to support friends and overthrow leaders that appeared to further Soviet designs. In 1948 Washington funded the Christian Democrat parties in Italy and France to prevent the Communists from taking over those governments, and throughout Western Europe the CIA served as "a covert annex to the Marshall Plan."[2] Elsewhere, it helped the Philippine leader Ramon Magsaysay to overcome the communist-backed Huk guerrillas, and intervened to repel communist insurgents in the Greek civil war. In 1953 the U.S. government also played a direct, but covert, role in overthrowing the left-wing Mossadegh regime in Iran, thus paving the way for the return of the shah's rule, at a cost of less than $1 million. A year later, Washington mounted a successful covert operation against the communist-aided Arbenz government in Guatemala. Some estimates hold that it cost the United States only $8 million to help displace Salvador Allende's socialist government in Chile in 1973. None of these American-aided ousters escaped criticism here or abroad as illustrations of American "imperialism"—but no one can deny their effectiveness and efficiency. Under the shah, Iran modernized and moved into the ranks of major players in Middle East politics, while Chile after Allende gradually became Latin America's beacon of economic growth, political stability, and (eventually) democratization. Neither Iran nor Chile is cause for U.S. embarrassment. Indeed, both did much better than a pre-coup prognosis would have predicted from their histories.

The United States also responded at the height of the Cold War to Castro's attempts to spread Marxism through guerrilla warfare in the Latin

[2] Harry Rositzke, *The CIA's Secret Operation* (New York: Reader's Digest Press, 1977), p. 158.

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American countryside. In Guatemala, it first trained the government's armed forces in counterinsurgency techniques. Critics retorted that the protracted civil war claimed tens of thousands of lives and that government forces committed atrocities. That is so, but Castroite infiltration started the war in the first place, both sides committed atrocities—as might be expected in a society beset with gaping economic inequalities and violent ethnic politics—and in any case, the atrocities were hardly the product of American policy. The bottom line is that Guatemala is far better off today than it would be had the Marxist guerrillas prevailed.

Elsewhere in Central America, Washington faced more Cuban-instigated subversion that could not be easily dealt with by U.S. aerial bombardments and ground invasions. But thanks to U.S. military assistance to the elected civilian government of El Salvador and to the Nicaraguan *contras*, Moscow was denied further inroads in this hemisphere. If a policy is judged on its success in advancing a country's return to peace, economic growth, institutional stability, and reintegration of former rebels into society and elected positions, then the Reagan administration's approach in El Salvador must be applauded. In Nicaragua, the Sandinista regime was first challenged by the *contra* guerrillas and then defeated in the 1990 presidential election, much to the embarrassment of the surprised Sandinista sympathizers in the United States.

Against great odds, the Reagan administration also did much to bolster the prospects of Solidarity, the Polish labor movement, in the early 1980s. Washington secretly funneled covert financial assistance, supplied communications equipment, trained communications operators, and shared intelligence with the officially besieged, but popular, labor movement. Solidarity's survival and witness played a significant role in the unraveling of the Soviet Union. Likewise, the Reagan administration sharply escalated Jimmy Carter's small-scale initiative of training and arming the anticommunist *mujahideen* in their insurgency against Soviet occupation of Afghanistan after 1979. When the United States finally added Stinger missiles to the rebels' arms inventory, the Soviets lost the ability to control events on the ground from the air, and the proud Red Army, the victors of Stalingrad, were humbled by mountain tribesmen. That humiliation in turn unhinged the Soviet ruling elite, paved the way for the collapse of the Communist Party, and sparked the dissolution of the Soviet empire in Central Asia. It proved to be one of the most masterful paramilitary operations since World War II.

The Bay of Pigs fiasco began a twenty-year-long reaction against covert operations. Reagan's successful support of the Afghan *mujahideen* reignited the debate. Critics argue that U.S. support of those rebels ultimately enabled the Muslim fundamentalist Taliban to occupy much of Afghanistan and play host to Osama bin Laden, the Saudi businessman turned terrorist. But such a monocausal explanation distorts history to serve political motives. For centuries, Afghanistan has been a badly fragmented country. The Soviets

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relied on local puppets to maintain control in a classic "divide and rule" scheme, which deepened societal divisions. Reagan's intervention did not cause the cleavages among Afghanistan's mountainous tribes. It helped them to unite temporarily against the Soviet occupation, just as they had resisted British penetration in the previous century.

Still, the "blow back" phenomenon is cited as evidence against covert enterprises: that is, to manipulate foreign countries is to invite retribution down the road. Perhaps that is so—no one can read the future—but no covert action could possibly compare with such direct actions as emergency airlifts to Israel, the Persian Gulf War, and the ongoing U.S. military presence in Saudi Arabia and the gulf when it comes to provoking anti-American sentiments in the Middle East. And when compared with the results of Soviet interventions or Marxist-inspired movements in such places as Afghanistan, Angola, Mozambique, Ethiopia, Cambodia, Peru, and Vietnam, the aftereffects of American covert enterprises look much more praiseworthy. Today, Chile, Guatemala, El Salvador, and Nicaragua, for example, have more promising prospects for progress than ex-Soviet proxies such as North Korea, Vietnam, Yemen, Somalia, or Cuba.

Missed Opportunities

Since the end of the Cold War, U.S. administrations have relied upon conventional projection of power, sometimes in anemic fashion, sometimes in heavy-handed fashion, as if aircraft carriers, ground forces, and bomber squadrons were omnicompetent and irresistible. Never, in peacetime, has the United States been so bellicose. Meanwhile, the covert option has lain nearly dormant, and what post–Cold War record it has is mixed, thanks again to poor judgment and poor execution. Thus, neither Bush nor Clinton backed up the resistance movements against Saddam Hussein that had been encouraged by the United States. When the Shiite community rose up against Baghdad in response to Bush's call at the end of the Persian Gulf War, Washington left them to the tender mercies of the Iraqi military rather than risk a fractured Iraq. But in the north, Bush did extend protection by means of lightly armed American troops under Operation Provide Comfort. An embryonic insurgent state in Kurdistan took root with modest funding and technical assistance from the CIA.

The incoming Clinton administration first reduced support and then abandoned the fledgling Iraqi National Congress (INC) altogether. The United Nations "safe haven" first fell prey to the Kurds' intramural rivalries and then to Baghdad's armored forces, which crushed the feeble resistance and decimated the INC networks in 1996. From Washington's perspective, deserting anti-Saddam forces was, to put it bluntly, despicable but doable. It left the

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Iraqi despot without a visible opposition, but it also got the United States off the slippery slope leading to a larger, open intervention. The very covert nature of the enterprise meant that American prestige suffered much less than it did, for instance, from the U.S. abandonment of South Vietnam after two decades of direct military intervention.

Despairing of the Clinton administration's impotence in the face of Saddam's provocations, the Congress passed, with bipartisan support, the Iraq Liberation Act of 1998. Based on a proposal by Paul Wolfowitz, the under secretary of defense in the Bush administration, the bill called for a policy to remove the Iraqi dictator by providing $97 million in equipment and arms from U.S. stocks to the regime's opponents. It authorized aid for a Radio Free Iraq and looked to an anti-Saddam enclave springing up within Iraq or fostering conditions for a military coup. The administration's foot-dragging, the opposition's deep divisions, and reservations expressed by Iraq's neighbors have made the enterprise temporarily problematic. Nevertheless, it keeps Saddam off balance, especially since the Shiite majority, Kurdish factions, and some Iraqi military units remain restive after years of Baghdad's repression. While such "active measures" face many obstacles, they at least offer the prospect of a genuine regime change. After all, repeated bombings, culminating in the aerial assault of December 1998, have failed to dislodge Saddam.

In the Balkans, Clinton's State Department licensed a private firm, Military Professional Resources Incorporated (MPRI), to instruct Croatian officers in tactics and strategy to confront the Serbian militias, which were killing and "ethnically cleansing" the non-Serbian population in Bosnia-Herzegovina. Headquartered in Alexandria, Virginia, and staffed by retired U.S. officers since its founding in 1987, MPRI had run several military training programs for the Pentagon before being hired by Croatia in late 1994. At the same time, Zagreb transported tanks, artillery, and aircraft valued at $1 billion that had been purchased from Russia, Ukraine, Slovakia, Israel, and Singapore over unmonitored borders despite an international embargo aimed at Croatia and the other Balkan states. The Croats also skimmed some weapons from Iranian supplies to Bosnian Muslims. The influx of military hardware dovetailed with MPRI's programs, resulting in a modernized Croatian force.

Despite the absence of secrecy, MPRI never became a *cause célèbre* in Washington political circles because most politicians agreed that something had to be done to stop the carnage in Bosnia. Conversely, Republicans did raise questions about the administration's green light to the Iranian arms supplies to the Bosnian Muslims. They feared that radical Islam might gain a foothold in Europe. Their concern focused on the source of the weapons rather than their immediate purpose. Later, MPRI trained the army of the Muslim-Croat Federation, which received $100 million in surplus U.S. weap-

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ons and financing from conservative Middle East states. Although it acted as an arm of U.S. policy, MPRI lowered the risk and expense for Washington.[3]

Given American reluctance to deploy ground troops in the midst of a shooting war in the Balkans, it made perfect sense to equip, arm, and instruct local forces to defend themselves. Even so, the gambit succeeded beyond all expectations. The Croatian military units dramatically changed the local balance of power, repelling Serbian militias, pushing into the Krajina, spurring an exodus of 200,000 Serbian refugees, and dispelling the myth of Serbian invincibility dating from the resistance movements of World War II. It was Croatian gains on the ground, not the NATO air strikes, that obliged Milosevic to accept the Dayton accords, and if the Croats had been permitted to continue their offensive, the resulting dissatisfaction in Serbia might well have undermined Milosevic's rule. Instead, the Clinton team opted for an agreement with the Serbian leader.

Later, when protesting crowds took to the streets of Belgrade and other Serbian cities in late 1996 and early 1997, another opportunity arose to give the tottering Milosevic regime a push. Pro-democracy reformers staged massive rallies to protest the government's repudiation of opposition victories in fourteen of Serbia's largest nineteen cities. By early February, support for the strike movement could be found in nearly every segment of Serbian society, and key supporters abandoned Milosevic. The army units, moreover, refused to crush the daily street protests. The Serbian Ministry of the Interior units were fast becoming Milosevic's only reliable pillar. U.S. pressure and assistance to the reformers might, at this point, have replicated in Serbia the events in Romania in late 1989, when the populace toppled the brutal Ceausescu regime. But having made Milosevic its partner in the Dayton agreement to end hostilities in Bosnia, the Clinton administration passed up another opportunity to reshape Balkan politics. The protests subsided, the regime made some tactical concessions, and Milosevic stayed in control.

The political ground shifted again within Serbia as a result of NATO's Kosovo air campaign. Belatedly, Clinton announced overt and covert measures to unseat Milosevic after nearly three months of bombing failed to remove him from power. But paradoxically the air war against Milosevic weakened the prospects for a U.S.-backed covert effort because his domestic opponents were now open to the charge of collaboration with Serbia's enemies. Once a state is overtly attacked, even internal enemies often rally to the regime out of patriotic sentiments or fear of being identified with foreign adversaries.

The general bipartisan acquiescence in Washington for MPRI activities and later support for Iraqi underground forces clearly signaled a favorable political climate for covert tactics. This change marked the realigning of

[3] David Shearer, *Private Armies and Military Intervention* (London: International Institute for Strategic Studies, 1998), pp. 60–62.

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post-Vietnam divisions in Congress and growing apprehension for the safety of U.S. ground forces in trouble spots after the intervention in Somalia. The end of the Cold War also removed the appearance of "tainted" strategic motives from U.S. policies since American intervention against rogue states could be justified as purely humanitarian. Moreover, the absence of a superpower adversary means that the American president now has more leeway to conduct low-risk indirect operations so long as they enjoy legislative backing, are consistent with overall policy, and are proportional to the objective.

Covert Operations: A Realistic Alternative

Admittedly the record of achievement of indirect measures is not perfect. But then, clear-cut U.S. military victories since the Second World War have been much more scarce. Even the apparent victory in the Persian Gulf is marred by the enduring presence of Saddam Hussein. Korea, Iraq, Bosnia, and Kosovo were limited conflicts with limited results, and the war in Vietnam was an outright American defeat. A number of covert actions, on the other hand, have had decisive and favorable results, and certainly worked far better than the bombing of Saddam Hussein or Slobodan Milosevic, or the cruise missile launches against Sudan or Afghanistan. Covert actions can succeed in cases where direct intervention might exact great costs in American lives, funds, and damaged international relations, and can promote democratic ideals and economic development without putting American force and prestige on the line. Critics retort that the record of covert operations has included bloody tactics, right-wing death squads, and human rights violations. But their opponents were equally ruthless. It is just that we have romanticized any revolutionary guerrilla with a gun and a redistributive doctrine.

All war is hell. But is subversive warfare worse than the collateral damage done to hospitals, schools, and houses by aerial bombardments? America's new-found reliance on the "immaculate coercion" of bombing from three miles over Iraq or Yugoslavia to attain our policy objectives has led us not only to eschew the deployment of land forces, but also to downplay indirect anti-regime ventures. In the case of Iraq, the Clinton team initially dismissed every anti-Saddam group as ineffective or antagonistic, rather than working to coordinate the movements. Likewise, when consideration of assistance to the Kosovo Liberation Army was publicly aired, opponents called attention to the divisions within the KLA and contended that helping it would set a precedent for other ethnic groups bent on separation. Critics did not want NATO to be the KLA's air force, and argued that the KLA were poor auxiliaries because some Albanians trafficked in narcotics for profit as well as for arms. This complaint about the moral rectitude of operatives is an old worry. It troubled George Washington, who bemoaned the need to work

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with "ambiguous characters" in intelligence gathering. But just as the Allies in World War II dropped weapons, radios, and other supplies to Tito's communist partisans, NATO could not pick and choose what partisans existed on the ground. In fact, a lengthy Western tutelage of the KLA or guerrilla groups elsewhere holds out the prospect of professionalizing a movement, purging it of corrupt fighters, and influencing it along democratic lines. This has happened to the bulk of Latin American trainees, whom the United States instructed at length in democratic civil-military relations. Revolutionaries hunger for the legitimacy provided by a major patron. It is far easier to affect a nationalist movement while it is in the malleable stage than once it comes to power.

In the final analysis, politics always makes for strange bedfellows, and states must usually choose the lesser of evils. To refrain from supporting all but the most pristine Jeffersonian resistance force is to paralyze oneself.

Covert actions in the past did push the envelope of normal and legal international relations. But the ambiguous nature of the Cold War blurred the distinction in international law between declared hostility and genuine harmony. In other words, the previous era was conducive to covert enterprises. A nation-state's recourse to self-defense, however, has always been lawful, and certain rogue leaders do constitute a clear and present danger. The "end justifying the means" controversy confronts policymakers whenever they undertake covert, or even overt, actions against another state. We should hold indirect operations to the same criteria as overt uses of force. Do they advance American interests? Do they meet established principles of armed conflict? Are they proportional to the goal? In cases such as Iraq, where ordinary citizens suffer under a cruel tyrant and the regime threatens its neighbors with brutal invasion, arguments against subversion of Saddam Hussein appear overly legalistic.

Subversion offends American sensibilities of fair play, the rule of law, and orderly turnover of government to another party following a free election. We like to think that dirty tricks are the tactics of less scrupulous governments. The amoral French, perfidious British, or treacherous Russians somehow seem better suited to skullduggery than the "apple pie and mom" Americans. Others disdain, or even revel in, criticism of underhandedness in the pursuit of national interests. But Americans take it to heart, launch congressional investigations, and editorialize against underhanded methods that blot our escutcheon. The only result is that extended bombing, outsized destruction, and indiscriminate death are somehow offered as more moral and justifiable, especially if the United States is willing to foot the bill for reconstruction.

At first blush, U.S. sponsorship of indirect operations runs counter to the multilateralism espoused by U.N. exponents. Such American ventures in the past might have appeared unilateral and self-serving. But here again circumstances have shifted as a result of the acknowledged ineffectiveness of

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the United Nations during the Bosnia war of the early 1990s. More recently, the United Nations had to stand aside while NATO conducted the military campaign in Kosovo. The dispatch of Nigerian troops to conflict-ridden Sierra Leone and the Australian-led force in breakaway East Timor were further recognition by the United Nations that its former peacekeeping missions had given way to dangerous peace enforcement operations beyond the means of its blue helmets. Indirect assaults against the Saddam Husseins and Slobodan Milosevics of the world may well assume the mantle of virtuousness now attached to humanitarian interventions. In any event, when Washington's actions are perceived as advancing the greater and common good, as distinct from its own narrow interests, multilateralist condemnation may be muted by reality.

By ruling out covert actions and by relying too heavily on air assault, the United States handicaps itself in the emerging, complex world. Responses to every local case of murderous behavior should not rise to the level of direct American military intervention. Yet, as the reigning superpower, we feel a responsibility to address a spreading crisis before it engulfs a region. Prudence dictates an alternative to massive air strikes and lopsided, no-casualty victories that will in time erode our moral standing and raise up a host of adversaries worldwide. In an earlier age, Eisenhower recognized the dilemmas when he privately lamented "that some of our traditional ideas of international sportsmanship are scarcely applicable in the morass in which the world now founders."[4]

Every case of murderous behavior should not require direct American military intervention.

From the U.S.-Soviet bipolarity we inherited a blurring between war and peace that has shaped our current era. The lessons and options from the past can be applied to small-scale cold wars that we are likely to face in the Serbias and Iraqs of the future. Indirect applications of power will relieve our military overextension, reduce our exposure to combat casualties, skirt unnecessary confrontation, and spare us from assuming burdens that are not easily shed. How much less costly, more humane, and more effective would well-planned and well-executed covert operations be than our present reliance on aerial siege warfare?

[4] Stephen F. Ambrose, *Eisenhower* (New York: Simon and Schuster, 1984), vol. 2, pp. 110–11.

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Review Essays

The Dangers of Trendy Strategies

by Mark T. Clark

Preventive Defense: A New Security Strategy for America. By Ashton B. Carter and William J. Perry. (Washington, D.C.: The Brookings Institution, 1999. 243 pp. $24.95.)

Coercive Military Strategy. By Stephen J. Cimbala. (College Station, Tex.: Texas A&M University Press, 1998. 229 pp. $39.95.)

Coercive Inducement: and the Containment of International Crises. By Donald C. F. Daniel and Bradd C. Hayes, with Chantal de Jonge Oudraat. (Washington, D.C.: United States Institute of Peace Press, 1999. 272 pp. $35.00; $14.95, paper.)

NATO Transformed: The Alliance's New Roles in International Security. By David S. Yost. (Washington, D.C.: United States Institute of Peace Press, 1998. 450 pp. $19.95, paper.)

Judging by the recent literature on international security, humility in the employment of military force is a forgotten virtue. Whether written by scholars and policymakers who recommend new ways to intervene in civil wars or prescribe new defense policies, or by leaders of institutions devoted to collective security, these works emphasize how the West can and should reshape international politics in its own image. But insofar as their prescriptions assume that human nature, and by extension human governance, is malleable and perfectible, they also risk leading the United States, like the protagonist in a Greek tragedy, into disasters that could have been avoided through self-reflection. That is because the one contingency for which they would implicitly leave the United States ill equipped is a reprise of normal, competitive international politics.

This faddish, uncritical thinking reflects the false hopes encouraged by the West's current position as the benevolent hegemon of a unipolar world

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order. The mortal threat of the Soviet Union is gone, Western militaries stand preeminent on the battlefields of Iraq and the former Yugoslavia, no peer competitor to the United States (except for possibly China) seems likely, and Western economies are enjoying good times. Small conflicts dot the landscape, but most of them only indirectly threaten Western interests. If there was ever a time to consider ways to manipulate international politics in favorable directions and plan for the military forces that may be needed to support those efforts, it would seem to be now. But the realism of the Cold War era has evaporated, only to be replaced by a myopic idealism that descends like a fog. Rather than eliciting admiration for innovative thinking, these works spark concern over muddled thinking, hubris about the future, and faulty analysis of the limits of military strategy.

The authors of the first work have both academic and policy-making experience. William Perry was secretary of defense from 1994 to 1997 and currently is a professor in the School of Engineering at Stanford University. Ashton Carter was the assistant secretary of defense for international security policy from 1993 to 1996 and has returned to a chair at the John F. Kennedy School of Government at Harvard. The ideas they champion in *Preventive Defense* are not new. Both authors, along with John Steinbrunner, published a short work outlining many of them in late 1992, just as the Clinton administration was about to take office.[1] Perry further refined his ideas in a chapter for a book two years later.[2] Previously calling their new strategy either "Cooperative Security" or "Global Engagement," the authors now focus on a defense strategy that they hope will anticipate and preclude new threats to the United States. Though laced with anecdotal stories of their time in office, it is not a memoir, for it does not seek to cover that entire period. And though written by professors, it is not a work of scholarship, for there are few footnotes and no explicit theory or analytic framework. Rather, the authors simply fear a repetition of the mistakes made earlier in the century when the United States withdrew after victories abroad, and so propose a strategy that would keep the United States engaged in Europe and the world. They argue that the threats to America can be placed into three groups. An A-list of threats comprises those that endanger U.S. survival, such as the Soviet Union posed during the Cold War. No A-list threat now exists or seems likely to arise for quite some time. The B-list includes threats that pose imminent danger to U.S. interests, but not to its survival or way of life. These are the threats that undergird defense planning

Cold War realism has been replaced by a myopic idealism.

[1] Ashton Carter, William Perry, and John D. Steinbrunner, *A New Concept of Cooperative Security* (Washington, D.C.: Brookings Institution, 1992).

[2] William Perry, "Military Action: When to Use It and How to Ensure Its Effectiveness," in *Global Engagement: Cooperation and Security in the 21st Century*, ed. Janne E. Nolan (Washington, D.C.: Brookings Institution, 1994), pp. 235–42.

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at the Pentagon. U.S. military forces are structured to fight two medium-size regional powers, such as Iraq or North Korea, simultaneously. The C-list of threats includes those that only indirectly affect U.S. interests, and includes scenarios such as Bosnia, Kosovo, Somalia, Rwanda, and Haiti.

While the United States has been preoccupied with B- and C-list issues in the early post–Cold War period, the authors argue that this has been the result of "the current and happy circumstance in which there is no A-list threat to the United States" (p. 13). But such a preoccupation is dangerous and inopportune. Instead, they propose that the United States should now emulate the vision shown by Truman, Marshall, and Acheson during the last great strategic transition. "Preventive defense," they argue, "is a defense strategy for the United States in the twenty-first century that concentrates national security strategy on the dangers that, if mismanaged, have the potential to grow into true A-list-scale threats to U.S. survival in the next century, bringing the current era to an abrupt and painful end" (p. 14).

Carter and Perry see five principal dangers that could become A-list threats. Their scenarios are "that Russia might descend into chaos, isolation, and aggression as Germany did after World War I; that Russia and the other Soviet successor states might lose control of the nuclear legacy of the former Soviet Union; that China could grow hostile rather than becoming cooperatively engaged in the international system; that weapons of mass destruction will proliferate and present a direct military threat to the United States; [and] that 'catastrophic terrorism' of unprecedented scope and intensity might occur on U.S. territory" (pp. 14–15).

In six chapters, the authors illustrate "preventive defense" at work through their personal experiences in office. They tell of helping the Ukrainians give up their SS-18 missiles; Project Sapphire, in which officials in Kazakstan gave the United States 600 kilograms of bomb-grade uranium; visiting the bombed Khobar Towers military barracks in Saudi Arabia; personal relationships with high-level Chinese officials, particularly during the Taiwan missile crisis of 1996; North Korea's nuclear program; and helping to reform the Department of Defense acquisition process during the 1980s and 1990s.

But because they acknowledge that preventive defense could fail, the authors also include a chapter recommending ways to keep the U.S. military robust in the twenty-first century. Ironically, this chapter underscores the problem with the book as a whole. While the ideas of preventive defense sound intriguing, all the anecdotes show either that the United States was lucky or that American officials engaging in preventive defense *reacted* to events and did not actually prevent them in the first place. Diplomacy may be a useful tool in the belt of civilian defense officials, but what the authors inadvertently demonstrate is that, while personal relationships with foreign leaders may help to diffuse a crisis after it has already begun, they cannot necessarily prevent it.

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The real sinews of a sound defense policy rest on military preparedness. Unfortunately, the authors never directly address critical problems. While they propose a "revolution" in the Department of Defense (actually, three of them, covering military affairs, business affairs, and personnel management), they ignore substantial problems that emerged on their watch. Instead, they assume that the Bottom Up Review and Quadrennial Defense Review answer all questions and address all needs. But in reality, even as the United States incrementally increased its post–Cold War security commitments, it negligently decreased its military capabilities. Real military budgets have dropped by 40 percent, and research and development in new weapons and equipment by 60 percent. Morale has plummeted as a result of the mismatch between commitments and resources. For example, the average marine infantryman now spends nine months a year away from his family. Seventy pilots leave the air force every month and are not replaced. Even more ominously, future preparedness is being sacrificed to pay for missions today. The air force has had to redirect $400 million in research and development funds simply to maintain operational readiness of current forces, and there is such a shortage of spare parts that 99 percent of B-1B bombers contain parts from other aircraft.[3] Should preventive defense fail, as the authors' own examples indicate is likely, U.S. military readiness will be inadequate to the threats that emerge.

At least Carter and Perry try to anticipate the future. The authors of the next two works assume the present to *be* the future. In *Coercive Inducement*, Daniels and Hayes imply that the whole future of strategy will rest on resolving C-list problems. Because the number and scope of "peace operations" have exploded since the end of the Cold War, the authors believe it is time to sort out what worked and what did not. After a summary of United Nations–led peace operations since the late 1940s, the authors propose a new conceptual model for such interventions. The problem they see is that traditional interpretations of the U.N. Charter for resolving disputes are inadequate to the task. Between the operations delineated in Chapter VI of the charter, understood to be "peacekeeping," and Chapter VII, frequently called "peace enforcement," the authors propose a third option—"coercive inducement." But the authors recognize that coercive inducement is not popular with scholars, national policymakers, or officials in international organizations responsible for executing policy, for reasons discussed below.

The rules of engagement and conditions that define operations under Chapters VI and VII of the U.N. Charter are conceptually distinct. Under the former, traditional peacekeeping troops function under the command and control of the secretary-general, and act on the basis of moral authority rather

[3] Floyd Spence, Chairman, *The U.S. Air Force and Kosovo: Readiness Strained to the Limit*, Military Readiness Review (Washington, D.C.: House Armed Services Committee, July 1999), p. 2, also available at (www.house.gov/hasc/).

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than force of arms. In terms of troop composition, these forces try to reflect the universality of the United Nations. They deploy with the consent and cooperation of the parties involved, and are to remain impartial, functioning without prejudice to the rights and aspirations of any side to the dispute. Troops take few risks, accept only minimal casualties, and do not use or threaten force except in self-defense (p. 9). Chapter VII operations, on the other hand, are clearly a force of arms and under command of the intervening nations rather than the U.N. secretary-general. Such forces deploy without the consent of the parties to the conflict, but are by definition partial to one side. They may use all necessary force and accept more serious risks to accomplish their objective.

The authors propose coercive inducement as an alternative to either doing too little (peacekeeping) or too much (peace enforcement).

> By coercive inducement we mean the judicious resort to coercive diplomacy or forceful persuasion by the international community in order to implement community norms or mandates vis-à-vis all the parties to a particular crisis. . . . Its focus is on getting one's way through the employment of military forces as opposed to using force per se. It aims to persuade rather than to seize or to bludgeon, and it must form part of a concerted campaign involving a variety of means—politico-military, economic, hortatory, as well as military—to influence behavior (pp. 21–22).

Coercive inducement thus overlaps both traditional peacekeeping and peace enforcement missions, even though it is supposedly distinct from both. Contingents would operate under the leadership of a single state or coalition endorsed by the United Nations, and would rely on "both moral authority and credible force" (pp. 169, 173). Immediate effectiveness would take precedence over diversity of participation in the force, which would aim "to impose the will of the international community on recalcitrant parties" with or without their consent. In intervening, an inducement force is to act impartially while simultaneously accepting that its goals may prejudice the aims of one or more parties to the conflict, and it would be authorized to use force to accomplish its goals (pp. 176–82). All of this, of course, entails a degree of risk, and inducement contingents should therefore prepare for the worst.

In four chapters, the authors present case studies of Bosnia, Somalia, Rwanda, and Haiti, looking for evidence of where this third option could have been more productive. While showing how these operations failed, the authors do not convincingly demonstrate that their third way would have done better because, at bottom, the international community's norms reflect what states are willing to permit at any given time. Thus, the operation in Bosnia failed because of discrepancies between what the Western governments and Russia would allow, while that in Somalia fell victim to the conflicting goals of the United States and the secretary-general of the United Nations at the time, Boutros Boutros-Ghali.

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Coercive inducement seems designed as a technical attempt to skirt the central problem of international politics, which is that conflicting interests frequently preclude unanimous consent. In fact, none of the four cases cited was in any way "normal" because in each of them the state that raised the strongest objections to the U.S.-led initiative in the United Nations was also a supplicant for financial assistance from the United States. The deeper problem with coercive inducement, however, lies with the difficulties it creates for those executing it. Military forces sent into such hotspots become responsible for more than they should be, overturning the traditional political control over the military. The commander on the spot must decide whether to escalate from minimum to maximum force. Failure to get the requisite political support may cost him his job, but failure to escalate in a timely fashion could cost the lives of a number of his troops. The notion of an inducement force also fails to acknowledge the psychology of troops in combat. The soldiers in the field are responsible for maintaining impartiality even if their comrades are killed by "incidental" sniper fire or rioting by unhappy civilians. In other words, the technical attempt to avert political obstacles creates new, unaddressed political and military ones.

The next work, Stephen Cimbala's *Coercive Military Strategy*, also promises more than it delivers. The title suggests that the author will analyze and refine military strategy for the post–Cold War era. He ultimately fails for a number of reasons. Even the author's use of the term "coercive military strategy" is redundant, since strategy is the art of marrying military means to political ends and vice versa. Latent in the existence of any military force is the threat or promise of its use. To that end, military strategy is *always* coercive. As the great Prussian military theorist Karl von Clausewitz argued, war is an act intended to compel an enemy to bend to your will.

Indeed, Cimbala cites both Clausewitz and the Chinese strategist Sun Tzu in an attempt to show how coercive military strategy is rooted in, but distinct from, traditional military theory. He argues that, while both theorists outlined some of the elements of coercive military strategy, subsequent changes in international politics, technology, and culture precluded them from considering all the elements. He argues further that "[t]hese changes are obvious: less so, are the more immediate, short-term changes in the context for making policy and strategy that the United States and other military powers must identify since the end of the Cold War and the demise of the Soviet Union" (p. 8).

A significant problem here is that he fails to examine the presumed changes which form the basis of his entire analysis. First, although U.S. forces are not trained for such activities, he assumes that an important mission for the United States is "soldiering for peace." Secondly, although a war among great powers is unlikely, smaller conventional and civil wars are considered very likely. Thirdly, he refers to today's soldiers as "diplomats on the march," a role that "calls for a velvet glove clothing a mailed fist, and perhaps for a

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split military personality." Fourthly, Cimbala tells us, commanders will need to become more adept at deterring and compelling an opponent in combat, or in other words simply "fighting smarter," which means "persuading your opponent that its current losses are only a prelude to greater, and inevitable, losses unless it complies with your demands." Persuasion thus may require in varying circumstances "*either* rapid and decisive escalation *or* slow and deliberate steps toward tightening the screw." Finally he, too, grants military commanders on the ground an undue share of political responsibility—such as for the decision to employ force in the first place (pp. 8–9). Cimbala, like Daniels and Hayes, never asks why these assumptions are immutable. It is as if the author looked out his office window, observed a few peacekeeping missions in the aftermath of the Cold War, and determined that international politics were frozen in time. More to the point, none of these assumed changes alter, let alone overturn, the classical understanding of coercion through war. Readers would be better advised to go back to Clausewitz and Sun Tzu than to trust in Cimbala's crystal ball.

Errors of scholarship further weaken the persuasiveness of this work. Most significant and frustrating is its shallow research. Time and again, the author relies on one or two sources for his definitions and analysis, without offering any original insights. To pick one of the more egregious examples, he ignores the rich literature available on the subject of collective security, and instead bases his working definition on a single essay, one of the authors of which worked in the National Security Council for the Clinton administration (chapter 5). In that definition, collective security appears similar to the balance of power, whereas in reality it is fundamentally distinct. The balance of power refers to a system in which a group of states ally to protect themselves from a common, external threat. Collective security, on the other hand, is a system formed to protect against an unknown threat from among its own ranks. Thus, preparation for a specific threat is all but impossible, as is getting all the parties to agree on responsibility for aggression in a given conflict.[4] A more careful and comprehensive reading of the literature on collective security would have alerted the author to the problems with his chosen definition. Similar problems undermine his analysis of the U.S. failure in Vietnam and McNamara's years in the Pentagon (chapter 4), as well as the distinctions among coercive diplomacy, deterrence, and compellence (Introduction).

After developing his argument for coercive military strategy, the author evaluates coercion over the course of six chapters that discuss U.S. limited war strategy, collective security, operations "not war," and short studies of the Cuban Missile Crisis, Desert Storm, and Vietnam. But by the author's own admission, "[b]y no means are these cases exhaustive, and

[4] For further discussion of the distinctions, see, e.g., Mark T. Clark, "The Trouble with Collective Security," *Orbis*, Spring 1995, pp. 237–58.

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they are not explained by the 'case study' method . . ." (p. 171). They then seem utterly superfluous, especially since the author introduces a wholly new definition in the conclusion: "Coercive military strategy is politico-military competition short of war, or a politico-military strategy within war itself" (p. 171). Perhaps in the end he was confused as much as his readers will be.

A far more rewarding read is Yost's *NATO Transformed.* With nearly 900 footnotes, a comprehensive survey of pertinent theories, relevant documents, primary sources, and clear organization, it promises to become the standard work on the transatlantic alliance. Yet the author's thesis regarding the direction in which NATO is headed is extremely disconcerting. Yost convincingly demonstrates that "even as NATO remains an instrument of collective defense, it has been transformed into a vehicle for collective security activities on an ad hoc and selective basis in the Euro-Atlantic region" (p. 4). But as Yost explores the tension between these two activities, he reminds policymakers that "[c]ollective defense remains the only solid foundation for Alliance cohesion and strength, an essential hedge in the event of political setbacks in Russia or elsewhere . . ." (p. 5).

The first secretary-general of NATO, Lord Ismay, quipped that the purpose of the organization was "to keep the Americans in, the Germans down, the Russians out." Yost does not waste the reader's time reviewing Europe's history since the end of the Cold War, which might change that conception. He does, however, provide everything one needs to understand how NATO has altered itself in the past decade. In only five chapters, the author covers all the larger political issues surrounding NATO's transformation. The ideas of collective security and territorial defense have changed significantly, as has the nature of political support for these missions. Alliance expansion has only heightened the tension between current members, whose rhetoric claims that "European security is indivisible," and aspirants seeking good old-fashioned territorial defense from a resurgent Russia. Meanwhile, the Partnership for Peace initiative, rather than enhancing cooperation, seems to conflict with expanding membership in the alliance, although the fact remains that NATO is cooperating with its former adversaries. Further issues that come under scrutiny include NATO's crisis management and support for peace operations. A concluding section surveys the challenges inherent in taking on so many new and at times conflicting missions that threaten to dilute the collective defense function of the alliance and weaken the cohesion of its members.

The tension of the conflicting missions is a recurring theme for Yost:

> Collective defense means maintaining the Alliance's political cohesion and military capabilities to deter coercion and aggression and, if necessary, to conduct military operations to restore the security and integrity of the territory protected by the

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> Alliance's commitments. Collective security concepts call upon aspirations for universally shared responsibility for peace and international order . . . (p. 269).

Since the collapse of the Soviet Union—and with it, the principal *raison d'être* of the alliance—allied leaders have too strongly espoused the rhetoric of Kantian and Wilsonian conceptions of collective security for Europe. They envision the alliance as "the organizer of a harmonious and peaceful European order, encompassing almost all of the OSCE [Organization for Security and Cooperation in Europe] states in efforts to promote collective security throughout Europe" (p. 271). NATO leaders have played down the collective defense mission of the alliance while pursuing collective security missions under a "major-power-consensus" or a "coalition of the willing"—relying on the imprimatur of the United Nations or the OSCE, even though operating under NATO command.

Rhetorical support for collective security goes against the goals of two important NATO programs: expansion and the Partnership for Peace. In both cases, states seeking membership in, or partnership with, the alliance see the ultimate goal as securing collective defense against Russia, precisely what NATO leaders want to downplay to avoid antagonizing Moscow. Yost also worries that, in addition to losing focus on its principal mission, the alliance could lose cohesion by taking on too many new roles and members. Overall, he identifies four fundamental but unresolved issues that jeopardize its relevance: "the de facto downgrading of collective defense; the practical limits to NATO's assumption of collective security functions; the continuing central role of the United States; and the need for lucidity in pursuing a two-track policy encompassing NATO's new roles as well as its traditional collective defense function" (p. 272). How well the alliance addresses these problems will determine whether it will have any relevance at all in the future.

The rush to construct new forms of national and international security is troubling.

The headlong rush to construct new forms of national and international security is troubling indeed. But equally disturbing is the dearth of solid analysis of those forms, because even a passing fad can leave considerable damage in its wake. Perry and Carter try to develop a strategy for the future, albeit a diplomatic overlay on traditional defense policy, but ignore military preparedness in the process. Cimbala, Daniels, and Hayes assume the future will mirror the present, and they prescribe dangerous policies for it. Finally, NATO seems bent on resurrecting collective security from the ashheap of history, overlooking that which made it a successful organization in the first place. Yost is the only one willing to stare at the slippery slope on which the alliance currently teeters and spy the dangers of its sliding further. His book represents a modest beginning, but one significant enough to inspire hope that others will likewise resist the tug of current fads.

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McNamara's Struggle for Understanding
by Bruce Kuklick

Argument Without End: In Search of Answers to the Vietnam Tragedy. By Robert S. McNamara et al. (New York: Public Affairs, 1999. 507 pp. $27.50.)

In 1995 former defense secretary Robert S. McNamara published *In Retrospect*, a memoir of his time in office from 1961 to 1968, dealing mainly with Vietnam. His latest book continues his ruminations about the war, attempts to come to terms with it, and reflects his desire to bring some closure to the controversy over his leadership in that era. The effort builds on a series of conferences in which McNamara participated from 1987 through 1992 on the Cuban Missile Crisis. The meetings brought together Russian, Cuban, and American officials who had been involved in the crisis, as well as a number of academics. Although McNamara still thinks of the missile crisis as a great triumph of American diplomacy, the conferences reminded him of the various blunders that took place during that confrontation and underscored how close an issue the Soviet-American contest was. He emerged from the symposia sobered and persuaded that the same strategy could be applied to learning more about a failure instead of a triumph—the diplomacy of Vietnam.

In *Argument Without End* we get the results of a number of colloquia in which McNamara brought together a group of Americans and some Vietnamese officials and scholars. These meetings were difficult to arrange. Many foundations refused to be involved, and at a crucial point the Council on Foreign Relations withdrew its initial sponsorship. McNamara is not an inconsiderable figure in American public life, and these refusals are, for me, an extraordinary testimony to the suspicion in which the former secretary is held by influential people of all ideological stripes. McNamara had other troubles with people. By the mid-1990s many of the leading officials of the Vietnam period were dead. In the United States some who were still alive, such as Walt Rostow, who rose to be Lyndon Johnson's national security advisor, refused to participate. The American military was savaged in the Vietnam years and hated McNamara as secretary of defense. The army still hates him, and still disagrees with his appraisal that the war could not be won militarily. General William C. Westmoreland, who commanded American troops from 1965 through 1968, also declined to learn what had gone wrong. In the end McNamara had to settle for some mid-level U.S. civilian officials and was, I believe, lucky to procure a few soldiers. On the North Vietnamese side McNamara did get, for more or less cameo appearances, General Vo Nguyen Giap, who was Hanoi's chief military strategist, and Nguyen Thach, a retired foreign minister, who died in the middle of the proceedings. The rest of the North Vietnamese team, like the American one, consisted at best of second-level officialdom.

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McNamara assembled his own team at the Watson Institute for International Studies at Brown University, which stayed with the project despite the defection of foundation money. Thanks to the Brown connection McNamara was able to add several political scientists and other academics to his group. The main ones are listed as subsidiary authors to this volume, and throughout the book McNamara is careful to point out the division of labor in the writing. But with one possible exception, this book is his and bears his imprint. That exception is a chapter entitled "U.S. Military Victory in Vietnam," written by Herbert Schandler, a former officer who has published on the war. McNamara requested that Schandler contribute an essay answering the question of whether the United States could have won the war militarily at acceptable cost. In fifty-odd pages, Schandler dutifully says we could not—"definitively," as McNamara twice tells us. The chapter is thus not McNamara's in only a nominal sense: this answer is just the one that the secretary himself first gave vaguely in 1965 and has been elaborating on in public since 1995.

The book as a whole is a complicated work of about five hundred pages. It contains partial transcripts of the conferences, commentary on them, a history of American and North Vietnamese policies in the 1960s, a catalogue of what McNamara calls "missed opportunities," various explorations of how the prolonged conflict could have been abbreviated through more astute diplomacy, and (related to the theme of missed opportunities) McNamara's view of the nature of history in general and the lessons to draw from this particular bit of history.

Let us begin where McNamara does, with his statement of the method that underlies the book. The Watson Institute inherited from Harvard's Kennedy School of Government the project on the Cuban Missile Crisis, and by 1990 it was a pretty tired business, but one methodological orientation replicated at Brown deserves the mention that McNamara gives it.

In the 1960s at Harvard, political scientist Richard Neustadt made a reputation as a Washington consultant for his analyses of current events. He conducted extensive interviews with relevant officials and melded them with information from government documents to which he had privileged access. His report to President Kennedy on the Skybolt missile feud with the British in 1963 has long been widely regarded as a paradigmatic piece of investigative reporting. Over the years at the Kennedy School, probing (but friendly) interviewing of officials about policy has been a significant technique for scholars interested in the improvement of decision-making. The idea is to combine political science and history in the interest of learning how to craft wise policy. Although never eschewing documentary research, Neustadt gave priority to interviews, which is a limited technique for historians, for most of whom at most times interviewing their subjects is not possible. Taking a page from Neustadt, McNamara makes "critical oral history" the keystone of his method in trying to learn something positive from Vietnam. Indeed, an initial aim of the project was to extract from the North Vietnamese secret documents

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from the period, although their ultimate unwillingness to produce material is not mentioned in *Argument Without End*.[1] The success of the book thus hinges largely on the accuracy of what the participants in the conferences said in the context of animated, sometimes heated, and often pressing discussions.

Another point needs to be made about a method that is implicit rather than explicit as in the case of the oral history. At Harvard, Neustadt also made his mark as a modest proponent of the "bureaucratic politics" model of studying policy-making. According to this model, one could not account for governmental actions by assuming that the outcomes of policy were measures of the rational intentions of presidents and their staffs. Things often did not turn out as planned, and to account for this apparent irrationality one had to examine the way bureaucracies functioned and the way policies were subject to the pressures of interest groups, myopia, ignorance, and the like. Neustadt's version of bureaucratic politics was relatively benign. In order to make policies come out more rationally, decision makers needed to communicate better with their staffs, have a greater understanding of the interests at stake and the history of the problems they confronted, and seek firm, positive control over their departments. The experience of Vietnam compromised this optimistic view held by liberal political scientists such as Neustadt, who had a background in the science of administrative behavior. To be sure, scholars did not exactly develop a Calvinist view of human depravity eating at the heart of supposed rationality, but they did come to believe that the impediments to it ran fairly deep.

So in addition to critical oral history, McNamara adheres to a pre-Vietnam notion of bureaucratic politics as a way of understanding what went wrong in the 1960s. At least the accent is very much on matters that were theoretically fixable: miscommunication among top policymakers and between the United States and the North Vietnamese; the inadequacy of attempts on both sides to understand the other's history; and a lack of concern for how the opposing side felt about issues. These principles, derived from the early model of bureaucratic politics, are what allow McNamara to talk about missed opportunities.

Finally, in terms of method, one must understand McNamara's notion of tragedy. The word does not appear in the index, and it appears only once in the fifty-three pages Schandler has written (in which illusions and failure are the major themes). But in the 345 pages of McNamara's substantive text, the word *tragedy* and its cognates appear at least fifty times. For the ancient Greeks, who bequeathed us this term, tragedy was what was inevitable given the character of the protagonist. McNamara reverses this meaning and ignores character for circumstance: Vietnam was a tragedy because it could have been avoided with greater social knowledge.

[1] For a less partial recounting of aspects of McNamara's project than is given in his book, I have relied on David K. Shipler, "Robert McNamara Meets the Enemy," *New York Times Magazine*, Aug. 10, 1997, pp. 30ff.

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This benign view of tragedy is joined to the secretary's version of the bureaucratic politics model. Opportunities were available in Vietnam that would have allowed each side to achieve its goals without the horrors of the period. But the opportunities were missed because of mutual misperception, misunderstanding, and misjudgment. The "central failure" was one of empathy, with each side misreading the "mindset" of the other. McNamara sees most of these troubles as the products of correctable ignorance (see pp. 6, 376, 392).

The secretary also narrows his purview to those years when he had personal responsibility for Vietnam policy. The Vietnamese have to remind McNamara initially that the 1961–68 period is not all that Americans have to worry about. They think that American involvement with Vietnam began in 1945, and in response to their wishes the book takes up in some detail the alleged missed opportunities of the 1954 Geneva conference. But in accord with McNamara's wishes the focus is on the period 1964–67. He is also unconcerned with what happened after he left office. His suspicion of military strategy and, in particular, of the bombing of North Vietnam does not extend at all to the Nixon period. In his own essay, Schandler does not explore whether the bombing campaign of 1972–73 under Nixon had any influence, positive or negative, on the outcome of the war. McNamara laments over and over that there were so few contacts at high levels between Americans and Vietnamese during his time in office; the necessity of face-to-face meetings at the highest levels is one of the principles that he believes can always help diplomacy. Yet neither he nor anyone else in the book bothers to analyze what beneficial or detrimental consequences followed from the extended talks between Henry Kissinger and Le Duc Tho during the Nixon administration. McNamara is desperate to learn where *he* went wrong, but is so focused on the problems of his own watch that he ignores the pertinent experience of the two Republican policymakers—or perhaps he does not want to learn from them.

The book includes an appendix that "corrects" the historical record, offering "significant revisions" to our understanding and documenting the "revelations" that came out of the conferences. Some of this material is interesting. For example, McNamara tells us in detail how he learned that there was no second attack on U.S. destroyers in the Gulf of Tonkin, which had led to the famous congressional resolution and first bombing raids. But this is hardly a revelation: there were doubts in the administration in August 1964 when the retaliation occurred, and certainly many scholars and commentators—at the time and later—suspected the American rationale for the resolution.

Overall, the ten-page appendix once again restricts the book's historical account to what McNamara (if not the rest of us) did not know about Vietnam. That is, the history of the war and its diplomacy is reduced to what is "news to him." He calls it a revelation that between 1945 and 1949 the North

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Vietnamese indicated many times that they wanted good relations with the United States, but Americans paid no attention since they were overwhelmed with European problems (pp. 401–2). The received wisdom was that North Vietnam was controlled and dominated by Moscow and Beijing, hence it is another "revelation" that while the Kennedy administration believed that the West faced a global conflict with communism, Hanoi interpreted Kennedy's inaugural address as an American move for mastery of the world (p. 400). Where has McNamara been? During the early 1960s, it is true, most influential people fervently believed in the Cold War verities, and their mindset had little room for complexity. But already by 1965, responsible critics such as George Ball and J. William Fulbright were cautioning American leaders against exaggerating the importance of Vietnam and pointing out the complicated relations within the communist bloc. Over the last thirty-five years we have learned a great deal more. That it has required a symposium with the Vietnamese at this late date for McNamara to absorb these garden-variety insights does not make one sanguine about the making of American foreign policy.

A final dimension to McNamara's excruciating personalization of these world-historical events is the way he treats the Vietnamese themselves. The basic idea with which McNamara went to the conferences is that both sides were to blame for many missed opportunities that could have shortened the war and altered the terrible history of the 1960s. In misreading its opponent, each side made matters more knotted than they might otherwise have been. A favorite example of such misconstrual, for McNamara, is the Vietnamese view of American intentions in the early 1960s. McNamara tells us that the Vietnamese "projected onto the United States a kind of colonial mode of operation not significantly different from that of the French," whereas Americans were really "ambivalent about their global role" (p. 379). It was "dead wrong" of the Vietnamese to think that the Kennedy and Johnson administrations wanted "to destroy the Hanoi government" (p. 22). It was understandable, but wrong for Hanoi to think that "*just like the French*" the United States wanted only to subjugate and destroy the Vietnamese people (p. 38, italics in original). Time after time, McNamara tells his old opponents that they were "completely wrong" to believe that the United States was a neoimperialist power bent on exploiting Vietnam for selfish purposes. They must, he says, grasp the "psychological reality" of American policymakers in the 1960s (p. 26). Americans thought they were on the defensive all over the world and saw the North Vietnamese as the spearpoint of advancing communism in Asia.

Here McNamara gets it half right. Understanding the psychological reality of a historical figure is an essential part of the historian's task, but it is only a part. Another part of the job is to explore what that reality meant to others at the time and what it means in light of our best contemporary knowledge. It is no great insight to observe that people do not see themselves

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as others see them, or that they usually think more highly of themselves than others do, or that they are often confused about their motives. No one, as we say, should be a judge in his own case. But McNamara seems to have forgotten these truisms. Grasping the "American mindset" will no more explain why the United States fought in Vietnam than grasping the Confederate mindset will explain the American Civil War.

McNamara seems to think that in the 1960s the United States wanted to protect South Vietnamese interests and to give noncommunist impulses a fighting chance in a unified Vietnam. But, in general, he suggests that the United States would have accepted a neutralist solution in Vietnam and allowed the Northerners to triumph over the long haul. It was a mistake of the Vietnamese, McNamara claims, not to have grasped this aspect of American policy. They should have acted to facilitate a solution that permitted the United States to exit Vietnam gracefully. Instead they clung to their view of America as a neocolonial power. McNamara's positive argument hangs on the possibility that the combatants could have gotten off the hook through a series of decisions to de-escalate. In my view the chance that such a set of decisions could have been made was slim. As McNamara himself often points out, only a tiny minority in the American government in the 1960s held a relaxed view about the spread of communism in Asia. Such ideas were more than usually characterized (rightly) as "surrender on the installment plan." What American decision makers wanted was something more than this—to transform South Vietnam into a bastion of American values as they more or less successfully did in West Germany, Japan, South Korea, Iran, and Panama.

Needless to say, the Vietnamese communist delegation brought to the conference's discussion of social relations and politics a dubious and monolithic set of preconceptions. Even allowing for that, however, their perception of the United States in the 1960s does not seem much off the mark—they are certainly closer to the reality than is McNamara, even in retrospect. As he says correctly, leaders in Washington "had no interest in directly colonizing Vietnam" (p. 383), but they would certainly not have settled for disguised defeat.

As a consumer of the bureaucratic politics model, McNamara cannot admit that basic policy disagreements were at the heart of the conflict. The Americans wanted to prevent South Vietnam from being communized; the North Vietnamese were determined to unite their country. So fearful was the United States that it was willing to use extraordinary military means to achieve its goals; Vietnamese in the north and south fiercely and even fanatically resisted. McNamara cannot look squarely at this opposition of policies.

Even using the language of bureaucratic politics, McNamara has trouble sustaining his view that, with more knowledge, positive alternatives were available. He writes of "ubiquitous missed opportunities," the "utter inability" of each side to understand the other, and the fundamental misreading of each side by the other (pp. 376–77). American ignorance of Vietnam was "immense," "astounding," and "profound." Both sides sent "mutually

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incomprehensible signals"; the incomprehension "seems to have been total and absolutely consistent" (p. 381).

Perhaps more important, McNamara's Vietnamese interlocutors did not share his stated view that both sides were to blame and that things would have been different had mutual understanding been achieved. Again and again they resist his assertion that they misunderstood American intentions. Respectfully and politely they dismiss McNamara's ideas.

> Nguyen Thach: I would say, with all due respect to Mr. McNamara, that the U.S. mindset, as he says, was incorrect, but that the Vietnamese mindset—our assessment of the U.S.—was essentially correct. Essentially correct. That is all (p. 47).
>
> Luu Van Loi: I am afraid I fail to see how, or in what way, we were wrong in our assessment of the U.S. That is my answer. Does this answer satisfy you (p. 85)?
>
> Luu Doan Huynh: Really, I think it was mostly your fault. You did not perceive things objectively. It was your mindset (p. 139).
>
> General Giap: I don't believe we misunderstood you. . . . Excuse me, but we correctly understood you . . . you are wrong to call the war a "tragedy"—to say that it came from missed opportunities. Maybe it was a tragedy for you, because yours was a war of aggression, in the neocolonialist "style," or fashion, of the day for the Americans (pp. 23–24).

In one dramatic moment that McNamara has the decency to print, he asks the Vietnamese why they were not influenced to negotiate by the devastating losses inflicted on them by the Americans. McNamara says his question was misunderstood, that he wanted to know why the Vietnamese did not respond to various U.S. peace probes. But the Vietnamese (according to him) thought he was accusing them of being insensitive to the pain of their people. The interested reader should examine with care this whole section of the book (esp. pp. 220–21, 253–56). Problems of translation aside, it appears clear that McNamara was asking them why they were so callous as not to capitulate to the carefully implemented U.S. plan of graduated escalation designed to display to them how costly resistance to the Americans was, and could become. And, although they do not say so directly, it is also clear that running through *their* heads is the belief that McNamara is still brutally insensitive to what he was doing and what his policies were. Here is part of Tran Quang Co's answer, which McNamara says was delivered at a "fever pitch of emotion" and followed by a long silence:

> I must say that this question of Mr. McNamara's has allowed us to better understand the issue. . . . We understand better now that the U.S. understands very little about Vietnam. Even now in this conference—the U.S. understands very little about Vietnam. . . . If he thinks that the North Vietnamese leadership was not concerned about the suffering of the Vietnamese people, . . . then he has a huge misconception of

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> Vietnam. That would be [speaks in English] "wrong, terribly wrong" [the phrase from *In Retrospect* that had become well known in Vietnam] (p. 255).

McNamara won't take a Vietnamese "No" for an answer. He tells us that over the course of the meetings, the other side came to accept the American view that if opportunities had not been missed, if better judgment had been displayed on both sides, the "tragedy" might have been averted. It is difficult to know what to do with his declarations, for the Vietnamese who are quoted consistently reject McNamara's line. To counter this impression from the transcripts, McNamara makes a great deal of minimal concessions. Nguyen Thach, early on in the first conference, says, "So, you think it takes two to tango, eh? Maybe. We will talk more about this" (p. 56). In general, in the texts presented, the Vietnamese make minimal concessions about mistakes, although they are happy to talk, and agree that discussions are useful, even now. But McNamara does not get what he wants—an admission of serious missed opportunities and of joint responsibility.

All this is consistent with much of what we know about the way McNamara operates. Through force of personality and what has occasionally been described as intellectual bullying—though it strikes me more as just willful bullying—he has often bent discussions to serve his agenda or to corroborate his point of view. As McNamara says, when he first went to Hanoi the big question for him was whether the Vietnamese would "really want to play this game by our rules," by which he means admitting their mistakes and cogitating on the limitations of mindsets (p. 22). The meetings between the two sides often reveal the American attempts to have the Vietnamese share the U.S. view, and often show the Vietnamese objecting. My sense is that McNamara has done his best to force his ideas on his old opponents and that they have been minimally forthcoming and perhaps a bit swayed by his driven character. He has also extracted from the record everything that serves his purpose. But I do not believe for a moment that the results of the conference are, as McNamara tells us, that the Vietnamese have come to share his views, and one would have to be very peculiar to think that they would. McNamara's interpretation of what went on at the conference is as dubious as his views of the war itself.

At the start of the book, McNamara tells us that his primary concern is not with the past but with the future (p. 6), and the final chapter is called "Learning from Tragedy: Lessons of Vietnam for the Twenty-First Century." McNamara here takes the view, conventional among some social scientists, that the ultimate "payoff" for historical research is the discovery of accurate, durable lessons (p. 374). McNamara is not a particularly subtle thinker in the human sciences, and one can plainly see his technocratic approach at work when he says we can raise the "probabilities" of preventing future conflict (p. 6). But even for historical purists who are suspicious of "lessons," the issues he raises are worth sober and respectful consideration.

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Some of McNamara's recommendations are clichés, though nonetheless true and relevant. We should, for example, recognize that some problems have no solution, especially not a military one, and we must organize and apply our military power with care and thoroughness. Some are rules of thumb which may or may not be applicable in given situations, such as working closely with allies and practicing in foreign policy the democratic principles Americans preach. Mainly, however, McNamara's lessons are oriented to conditions that knowledge can remedy: we should communicate with adversaries at a high level, understand their mindset, learn about their culture, and make thoughtful policies. Very little of McNamara's effort is devoted to understanding real opposition of *purpose*. Indeed, he seems to believe that such opposition would more or less vanish if we had adequate knowledge of the enemy.

McNamara has a personal motive for this view—conflicts of purpose are subject to ethical evaluations. Yet in his reflections on Vietnam for the last five years an ethical appraisal of his conduct is just what he has been trying to avoid. When he was "wrong, terribly wrong," it was not because he got an incorrect answer to a math problem, but rather because he consistently acted in a morally disastrous manner. That is what the Vietnamese were trying to tell him, but he could not hear them. And no wonder. His analysis of issues of war and peace discards the Greek notion of tragedy in favor of his own definition. For the Greeks, the character of the protagonist contained the seed of disaster.

McNamara gets the history about as right as he did the war itself.

In sum, *Argument Without End* is one more complicated and lengthy attempt by McNamara to work out his guilt about Vietnam. He concentrates exclusively on his own term in office, displays an unrelenting desire to distribute the blame, and hopes to do penance by turning what he persists in calling a tragedy to some good use—to use the experience to do good in the future. The reality is that McNamara came to Washington in 1961 with a flawed view of life and politics. Because of his power and personal ability, he was able to impose this view on the world, and the world has been a long time recovering from his hubris. Now, over thirty years later, he has turned his still considerable energies to the history of the conflict, and he gets it about as right as he did the war itself.

McNamara, in some respects, is a figure like Albert Speer or Richard Nixon. Speer was the one highly placed Nazi official to confess his complicity in that awful regime—"the good German." After twenty years in Spandau prison, he sought absolution by explaining to the world why he worked for Hitler, and *Inside the Third Reich* (1970) and other writings had something of the same impact on people in regard to World War II as *In Retrospect* did in regard to Vietnam. Nixon won a grudging respect after Watergate because he would never give up the attempt to make his case. Over and over he commanded our attention with his stories. McNamara is the same—he will not let us alone.

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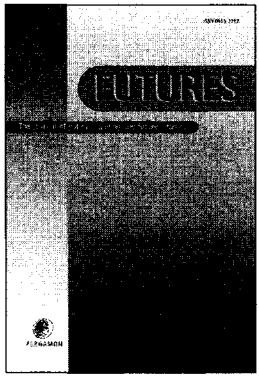

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